

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED

AUDITED FINANCIALS FOR THE FINANCIAL YEAR 2023-24

CIN : U24299KA2020PTC134365

PAN : ABDCS6938E

TAN : BLRS76577E

DOI : 27-05-2020

Directors:

Mr. Kishan Gurram

Mr. Keshav Bhutada

DIN Nos.

06869882

08222057

PAN Nos.

AHSPK0846M

AMYPB4499A

Registered Office:

Ground Floor, Site No. 40, 2nd Main Road,

Industrial Town, Rajajinagar,

BENGALURU - 560010

Contact Information:

Contact No. : 080-49738885

E-mail ID : Sravathi.AI@gmail.com

Website Link : www.sravathi.co.in

Statutory Auditors:

Bohara Bhandari Bung & Associated LLP,

Chartered Accountants

#12-10-89/1, Anagha Complex, 2nd Floor,

Above Canara Bank, Sath Kacheri Road,

RAICHUR - 584101



INDEPENDENT AUDITOR'S REPORT

To the Members
Sravathi AI Technologies Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Sravathi AI Technologies Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss, 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 significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other than the financial statements and Auditor's Report

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, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.



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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.

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.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management 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



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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 scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems 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 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

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.



Report on Other Legal and Regulatory Requirements

As per the information and explanation given to us the Company meets the exemption criteria prescribed under clause 2(v) of 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, statement on the matters specified in paragraphs 3 and 4 of the Order, is not applicable to it.

1. 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 except for the matters stated in paragraph 2(f) below on reporting under rule 11(g);
- c) The Balance Sheet, the Statement of Profit and Loss (Incl. Comprehensive Income), the Statement of Cash Flows and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31stMarch 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Since the Company's turnover as per the last audited financial statements is less than Rs.50 Cores and its borrowing from banks or financial institutions or any Body Corporate at any time during the year is less than Rs.25 Cores, the Company is exempted from getting report of the auditor with respect to existence of internal financial controls with reference to financial statements of the company and its operating effectiveness of such controls vide notification dated 13thJune 2017.
- g) Matter to be included in the Auditors' Report under Section 197(16) is applicable only to a public limited Company and not to a private limited company. Hence, it is not applicable to the company.

2. 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, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company does not have any pending litigations which would impact its financial position.



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- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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(ices), including foreign entities (“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 whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ices), 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; and

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e) The Company has not declared nor paid any dividend during the year and as such reporting under this clause is not applicable.
- f) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024. The said software did not have the feature of recording audit trail (edit log) facility and therefore the said facility has not operated throughout the year.



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As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Bohara Bhandari Bung And Associates LLP

Chartered Accountants

(Firm's Regn No.008127S/S200013)

Sd/-

CA.Yogesh R Bung

Partner

Membership No. 143932

Place: Raichur

Date: 22.05.2024

UDIN: 24143932BKAEOM8300

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED**Part - I - Balance Sheet***(All amount are in Indian Rupees unless otherwise stated)*

PARTICULARS	Note	As at 31-Mar-24	As at 31-Mar-23
ASSETS			
Non Current Assets			
(a) Property Plant & Equipment	2	35,31,455	46,25,420
(b) Intangible asset unde development	3	4,18,273	-
(c) Financial Assets			
- Other financial assets	4	6,00,000	6,00,000
(d) Deferred Tax Asset(Net)	5	2,68,38,265	1,75,47,662
Total Non-Current Assets		3,13,87,993	2,27,73,082
Current Assets			
(a) Financial Assets			
i) Trade Receivable	6	-	14,04,000
ii) Cash and Cash Equivalents	7	46,168	77,340
(b) Other Current Assets	8	29,43,169	29,61,531
Total Current Assets		29,89,338	44,42,871
TOTAL ASSETS		3,43,77,331	2,72,15,953
EQUITY AND LIABILITIES			
A) Equity			
(a) Equity Share Capital	9	10,00,000	10,00,000
(b) Other Equity	10	(7,54,74,852)	(4,86,14,688)
Total Equity		(7,44,74,852)	(4,76,14,688)
B) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	8,75,94,068	6,84,03,237
(b) Provision	12	11,92,298	5,40,067
Total Non-Current Liabilities		8,87,86,366	6,89,43,304
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,15,05,949	16,56,158
(iii) Trade Payables	14		
- total outstanding dues of micro enterprises and small enterprises		9,52,853	5,60,836
- total outstanding dues of creditors other than micro enterprises and small enterprises		12,73,039	8,00,701
(iv) Others	15	7,32,869	15,507
(b) Other Current Liabilities	16	49,93,571	24,96,568
(c) Provisions	17	6,12,758	3,62,789
Total Current Liabilities		2,00,71,039	58,92,559
TOTAL EQUITY & LIABILITIES		3,43,82,553	2,72,21,175

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

For and on behalf of the Board of Directors

Sd/-
CA. Yogesh R Bung
Partner
Membership No. 143932

Sd/-
Keshav Bhutada
Director
DIN No. 08222057

Sd/-
Kishan Gurram
Managing Director
DIN No. 06869882

Place : Raichur
Date: 22.05.2024

Place : Raichur
Date: 22.05.2024

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED**Part - II - Statement of Profit and Loss***(All amount are in Indian Rupees unless otherwise stated)*

Particulars	Note	For the Year ended 31-Mar-24	For the Year ended 31-Mar-23
<u>Revenue</u>			
a) Revenue from operations	18	73,00,000	23,00,000
b) Other income	19	6,803	54,140
Total Income		73,06,803	23,54,140
Expenses			
a) Employee Benefits Expense	20	2,93,42,619	2,77,61,023
b) Depreciation and Amortisation Expense	2	14,47,965	20,40,264
c) Finance Cost	21	57,48,431	34,64,676
d) Other Expenses	22	77,71,861	53,89,204
Total expenses		4,43,10,875	3,86,55,167
Profit / (Loss) before exceptional items and tax		(3,70,04,073)	(3,63,01,027)
Tax expense			
i) Current Income tax		-	-
ii) Add: Deferred Tax		(96,28,257)	(95,61,947)
		(96,28,257)	(95,61,947)
Profit / (Loss) for the Period (A)		(2,73,75,815)	(2,67,39,080)
Other Comprehensive Income (B)			
A) Items that will not be reclassified profit or loss			
- Actuarial Gain / (Loss) for defined benefit plan (net)		(2,22,683)	(14,861)
- Tax effect on the above		(57,898)	(5,222)
Total Comprehensive income for the year (A+B)		(2,76,56,396)	(2,67,59,163)
Earning per equity share			
Basic and Diluted EPS per share of Rs.10/- each	29	(276.56)	(267.59)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants

Firm's registration No.008127S/S200013

Sd/-

CA. Yogesh R Bung
Partner
Membership No. 143932

Place : Raichur
Date: 22.05.2024

For and on behalf of the Board of Directors

Sd/-

Keshav Bhutada
Director
DIN No. 08222057

Place : Raichur
Date: 22.05.2024

Sd/-

Kishan Gurram
Managing Director
DIN No. 06869882

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED
Cash Flow Statement for the year ended
(All amounts in Indian Rupees unless otherwise stated)

Particulars	31.03.2024	31.03.2023
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit Before Tax as per Statement of Profit and Loss	(3,70,04,073)	(3,63,01,027)
Less: Adjustments		
Notional Interest on Security deposits	-	10,377
Other Income	-	41,763
Unrealized Exchange Gain	-	-
	(3,70,04,073)	(3,63,53,167)
Add: Adjustments		
Interest	57,48,431	34,64,676
Provision for Gratuity	4,54,744	2,12,799
Provision for Leave Encashment	1,15,496	1,47,196
Bad Debts Written Off	7,08,000	-
Depreciation & Amortisation	14,47,965	20,40,264
Operating profit before working capital changes & Other Adjustments	(2,85,29,437)	(3,04,88,232)
<u>Adjustments for Increase / (Decrease) in Operating Liabilities</u>		
Trade Payables	8,64,355	10,16,369
Other Financial Liabilities	7,17,362	15,507
Other Liabilities & Provisions	26,06,280	8,85,064
<u>Adjustments for (Increase) / Decrease in Operating Receivables</u>		
Inventories	-	-
Trade Receivables	6,96,000	(14,04,000)
Other Non-current Assets	-	-
Other Current Assets	(5,01,639)	(6,91,104)
	(2,41,47,078)	(3,06,66,396)
Add: Income Taxes (Net)	5,20,000	(3,09,818)
Net Cash flow from Operating activities	(2,36,27,078)	(3,09,76,214)
<u>B. CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(7,72,273)	(17,73,555)
Interest received	-	-
Net cash flow (used in) Investing Activities	(7,72,273)	(17,73,555)
<u>C. CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from Short term Borrowing	98,49,791	16,56,158
Issue of Compulsorily Convertible Preference Shares	1,48,25,000	3,10,75,000
Finance Cost	(3,06,611)	(6,843)
Repayment of Lease Liabilities	-	(2,83,500)
Net cash flow from/(Used in) Financing Activities	2,43,68,180	3,24,40,815
Net Increase/(decrease)in Cash and Cash Equivalents	(31,171)	(3,08,954)
Cash & Cash Equivalents at the Beginning of the year	77,340	3,86,294
Cash & Cash Equivalents at the End of the year	46,168	77,340

Reconciliation of Cash and Cash equivalents as per statement of cash flows	31.03.2024	31.03.2023
Cash on Hand	-	-
Cash at Banks		
a) In Current Account	46,168	77,340
Total Cash and Cash Equivalents	46,168	77,340

Reconciliation between Opening and closing balance sheet for liabilities arising from financing activities.	31.03.2024	31.03.2023
Opening Balance	6,84,03,237	3,77,03,598
Cash flows	1,48,25,000	3,10,75,000
Non-cash movement	43,65,831	(3,75,361)
Closing balance	8,75,94,068	6,84,03,237

The accompanying notes form an integral part of the financial statements

Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows " as prescribed under Companies (Indian Accounting Standard) Rules, 2015.

As per our report of even date attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

For and on behalf of Board of Directors

Sd/-
CA. Yogesh R Bung
Partner
Membership No. 143932

Sd/-
Keshav Bhutada
Director
DIN No. 08222057

Sd/-
Kishan Gurram
Managing Director
DIN No. 06869882

Place : Raichur
Date: 22.05.2024

Place : Raichur
Date: 22.05.2024

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Company Overview

Sravathi AI Technology Private Limited was incorporated in FY 2020-21. Company has shifted their registered office from Industrial Town, Rajajinagar in Bengaluru to 63-B, 1st floor, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore South, Bangalore. Among these, more than 5 people are having large Industrial experience in different fields to make Sravathi AI Technology from Ideas to implementations. Sravathi will focus on “cutting edge” technology in different fields within chemistry such as “Drug Discovery, Formulations, Reaction Optimization, catalysts, Analytical and materials.

Our major aim is to reduce Research & Development time significantly lower by using latest tools such as Artificial Intelligence, advanced computing tools. In Drug discovery, we want to reduce “drugs” discovery time from 15+ years to less than 3 years and thereby making affordable medicine to everyone. Similarly, we are focusing in developing completely novel Formulations, catalysts, Synthesis of API or chemicals using AI platform.

Sravathi is a dynamic organization with a blend of employees with varied backgrounds, experience levels, expertise & competencies in different scientific fields. We have doctorates in natural science, biological science, computer science and engineering with applied research experience in respective fields and young graduates and postgraduates with an attitude to achieve excellence.

Our multi-disciplinary skills in Artificial Intelligence Research and development include capabilities in:

1. State of art “advanced computing facilities”
2. Ph.D from different fields such as Molecular Modeling, Data Science (artificial Intelligence), Biochemistry, Organic Chemistry, Bioinformatics, Engineering etc., which are required to make breakthrough of chemistry innovations using Artificial Intelligence platform.

Our highly experienced multi-disciplinary teams ensure development/discovery of “new Drug molecules or new formulations to Industry with affordable prices and shortest time possible.

Vegil Labs Private Limited holds the Equity Share by 55% in SRAVATHI.

2. Basis of Preparation of Financial Statements

a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the Company. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors on May 22, 2024.

b) Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis, except for the following assets and liabilities which have been measured at fair value, wherever applicable.

- Derivative financial instruments
- Certain financial assets / liability measured at fair value
- Defined Benefit Plan's at fair value less present value of defined obligations.

c) Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency for the Company.

All amounts have been rounded-off to the nearest lakhs unless otherwise stated.

d) Current non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it satisfies the below mentioned criteria :

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when it satisfies the below mentioned criteria :

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

e) Use of accounting Estimates and Judgments:

The preparation of the standalone financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in

circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

The areas involving critical estimates or judgments are:

- Estimation of Useful life of Property, plant and equipment and intangibles (Note 3.(a)& (b))
- Estimation of impairment (Note 3(d))
- Leases (Note 3(e))
- Recognition of deferred taxes (Note 3(j))
- Estimation of provision (Note 3(l))

3. Significant Accounting Policies

a) Property, Plant and Equipment & Depreciation:

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalized. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- v. Any gain or loss on disposal of an item of property plant & equipment is recognized in the statement of profit & loss account.
- vi. Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.
- vii. Depreciation is calculated on items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method (SLM) prescribed in Schedule II of the Companies Act 2013, with exception of those assets whose useful life is ascertain by the management. Freehold land is not depreciated.
- viii. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.
- ix. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

Estimated useful life considered during the year is as follows:

Assets Description	Management estimate of useful life	Useful life as per schedule II
Buildings		
Factory buildings	30	30
Plant and Equipment		
Process Machinery	8-20	8-20
Lab Equipments	8-20	8-20
Others	20	20
Furniture & Fixtures	10	10
Office Equipment	05	05
Data Processing equipment		
Servers	06	06
Computers & Peripherals	03	03

b) Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost less accumulated amortization. Cost includes only such expenditure that is directly attributable to making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

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

Intangible Assets include capitalized expenditure on filing and registration of any patents or any other significant amount incurred, which are in respect of products for which commercial value has been established by virtue of third-party agreements/arrangements.

Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) Research and Development

Research:

All expenditure on research activities are recognized in the Profit and Loss Statement when incurred.

Development:

Expenditure on development activities are also recognized in the Profit and Loss Statement in the year such expenditure is incurred. However, development expenditure is capitalized only in cases where such costs can be measured reliably, the technological feasibility has been established in respect of the product or process for which costs are incurred, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed product are capitalized. The Company's

criteria for capitalization of such assets are consistent with the guidance given in paragraph 25 of Ind AS 38 (receipt of economic benefit out of the separately purchased transaction is considered to be probable).

Acquired research and development intangible assets that are under development are recognized as Intangible Assets under Development. These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Where a determination of impairment in respect of any such asset is made, the impairment of such asset is recognized in the Profit and Loss Statement in the year in which such determination is made. Where a determination is made to the effect that future economic benefits are probable, the total cost is capitalized in the year in which such determination is made. Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset.

d) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss on following:

— financial assets measured at amortised cost;

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss Account in the year in which an asset is identified as impaired.

e) Leases

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

- a) The contract involves use of an identified asset;
- b) The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- c) The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognizes a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognizes the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's borrowing rate. Generally, the company uses its borrowing rate as the discount rate. Lease payments are included in the measurement of the lease liability

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Development Revenue:

Development revenue are recognized over the time period of the development activity and are recognized on the completion of each milestone as per term of the agreement.

Sale of products & services:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods & services to the customer. Control over a promised goods & services refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods & services. Control is usually transferred upon shipment, delivery to, upon receipt of goods & services by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods & services, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product or service sales are recorded net of allowances for estimated rebates, cash discounts, all of which are established at the time of sale and product or service returns.

Other Income and expense

Interest Income or expenses is recognised using the Effective interest rate (EIR) method.

g) Foreign Currency Transactions/Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the Transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised in the Statement of Profit and Loss in the period in which they arise as income or as expense.

h) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

i) Financial Instrument:

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.

I. Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- Trade receivables
- Other financial assets

Financial Assets Measured at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The classification is made on initial recognition and is irrevocable.

De-recognition of Financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- Financial Assets that are debt instruments and are measured at FVTOCI.

- Lease receivables under Ind AS 17.
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured at FVTPL
- Financial guarantee contracts which are not measured at FVTPL

II. Financial Liability

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from others
- Trade payables
- Other Financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

j) Taxes on Income:

Income tax comprises of current and deferred income tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and 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.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

— 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 transaction; and

— temporary differences related to investments in subsidiaries, associates and joint arrangements 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

k) Employee Benefits:

i. Short term employee benefits

All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

ii. Post-employment benefits:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:”

iii. Defined Contribution plans

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

iv. **Defined benefit plans**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Presently, the gratuity is non-funded.

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

v. **Leave Encashment Plans**

The employees of the Company are also entitled to leave encashment. The provision is made based on actuarial valuation for leave encashment at the year end. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss.

l) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liabilities are not recognised but are disclosed in the notes.

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of the pending matters with accuracy.

m) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees, if any.

n) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o) Cash and Cash Equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk. Cash flow statement is prepared under the indirect method as per Ind AS 7, For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of book overdraft.

p) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the standalone balance sheet when, and only when, the company currently has a 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.

q) Recent accounting 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. During the year ended March 31, 2024, MCA had not notified any new standards or amendments to the existing standards applicable to the Company.

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED

2. Property, Plant & Equipment

(All amount are in Indian Rupees unless otherwise stated)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at 01/04/2023	Additions	Deletions	As at 31/03/2024	As at 01/04/2023	For the period	Deduction/Adj stment during the year	As at 31/03/2024	As at 31/03/2024	As at 31/03/2023
	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
<u>i) Owned</u>										
Air Condition	61,145			61,145	28,589	12,296	-	40,885	20,260	32,556
Eletrical Installation & Equipments	2,07,194			2,07,194	47,465	20,414	-	67,878	1,39,316	1,59,729
Computer & Periphical	66,30,601	3,54,000		69,84,601	33,13,014	12,63,317	-	45,76,331	24,08,270	33,17,587
Furniture & Fittings	13,90,402			13,90,402	3,16,368	1,36,064	-	4,52,432	9,37,971	10,74,035
Office Equipments	78,421			78,421	36,906	15,873	-	52,779	25,642	41,515
Total	83,67,763	3,54,000	-	87,21,763	37,42,342	14,47,963	-	51,90,305	35,31,458	46,25,421

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at 01/04/2022	Additions	Deletions	As at 31/03/2023	As at 01/04/2022	For the period	Deduction/Adj stment during the year	As at 31/03/2023	As at 31/03/2023	As at 31/03/2022
	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
<u>i) Owned</u>										
Air Condition	61,145			61,145	16,327	12,262	-	28,589	32,556	44,818
Eletrical Installation & Equipments	2,07,194			2,07,194	27,107	20,358	-	47,465	1,59,729	1,80,087
Computer & Periphical	48,57,046	17,73,555		66,30,601	17,24,005	15,89,009	-	33,13,014	33,17,587	31,33,041
Furniture & Fittings	13,90,402			13,90,402	1,80,675	1,35,692	-	3,16,368	10,74,035	12,09,727
Office Equipments	78,421			78,421	21,077	15,829	-	36,906	41,515	57,344
Total	65,94,208	17,73,555	-	83,67,763	19,69,191	17,73,151	-	37,42,342	46,25,421	46,25,017

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED
(All amount are in Indian Rupees unless otherwise stated)

3 Intangible asset under development

Particulars	31-03-2024	31-03-2023
Patent	4,18,273	-
TOTAL	4,18,273	-

4 Other Financial Assets (Refer Note No.31)

Particulars	31-03-2024	31-03-2023
Security Deposit (unsecured, considered good)		
i) Rental deposits	6,00,000	6,00,000
TOTAL	6,00,000	6,00,000

5 Deferred Taxes Asset (Net)

Particulars	31-03-2024	31-03-2023
Deferred Tax Liability		
Timing Differences under Income Tax Act	(6,17,862)	(17,24,432)
Deferred Tax Asset		
Unused tax losses	2,70,75,619	1,90,91,254
Other disallowable expenses	3,80,507	1,80,840
TOTAL	2,68,38,265	1,75,47,662

6 Trade Receivable

Particulars	31-03-2024	31-03-2023
a) Trade Receivables considered good – Secured	-	14,04,000
TOTAL	-	14,04,000

7 Cash and Cash Equivalents

Particulars	31-03-2024	31-03-2023
a) Cash on hand	-	-
b) Balance with banks in current account	46,168	77,340
TOTAL	46,168	77,340

8 Other Current Assets

Particulars	31-03-2024	31-03-2023
a) Pre-Paid Expense	90,314	1,83,395
b) GST - Input (Net)	20,85,864	25,32,648
c) TDS deducted by Party	7,50,000	2,30,000
d) Advances to Supplier	16,991	15,488
TOTAL	29,43,169	29,61,531

10 Other Equity

Particulars	31-03-2024	31-03-2023
Retained Earnings	(8,52,63,488)	(5,78,87,672)
FV of Pref Share Liability	99,20,858	91,24,626
OCI Acturial Gain / (Loss) on Defined Benefit Plan	(1,32,222)	1,48,359
Total	(7,54,74,852)	(4,86,14,688)

11 Borrowings

Particulars	31-03-2024	31-03-2023
0.1% Non Cumulative, Non participating, compulsory Convertible Pref. Share Capital	8,75,94,068	6,84,03,237
	8,75,94,068	6,84,03,237

12 Provisions

Particulars	31-03-2024	31-03-2023
Provision for Employee Benefits		
a) Provision for Gratuity	9,41,947	3,80,730
b) Provision for Leave Encashment	2,50,351	1,59,337
TOTAL	11,92,298	5,40,067

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED

(All amounts in Indian rupees, except share data and where otherwise stated)

9 Equity Share Capital	Particulars	For the Year ended	For the Year ended
		As at	As at
		31.03.2024	31.03.2023
Authorised share Capital			
1,50,000 (P.Y 1,00,000) Equity Share of Rs. 10/- each par value		15,00,000	10,00,000
10,00,000 (P.Y 8,90,000) Preference Share of Rs. 100/- each par value		10,00,00,000	8,90,00,000
		10,15,00,000	9,00,00,000
Issued subscribed & fully paid up			
1,00,000 Equity Share of Rs. 10/- each par value		10,00,000	10,00,000
TOTAL		10,00,000	10,00,000

(a) Reconciliation of the number of shares.

Particulars	As at 31.03.2024		As at 31.03.2023	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the Equity Shares	1,00,000	10,00,000	1,00,000	10,00,000
Shares issued during the year Equity Shares	-	-	-	-
Shares outstanding at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

(b) Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2024		As at 31.03.2023	
	Nos	% of Holding	Nos	% of Holding
1) Vegil Labs Private Limited	55000	55	55000	55
2) Dr. Kishan Gurram	28000	28	28000	28
3) Dr. Deepak Agrawal	7000	7	7000	7

Rights and Restrictions attached to Equity Shares

The Company has issued Equity shares having face value of Rs.10/- per share. Each Share Holder is eligible for one vote per share. In case dividend is proposed by the Company it will be subject to the approval of the Board of Directors. In the event of liquidation, the equity share holders are eligible to receive balance assets remaining after repayment to all the preferential share capital holders, in the in proportion to their equity holding.

c) The details of shareholding of promoters is as shown below;

Name of Promoter	As at 31 March 2024		
	No. of Shares held	% of holding	% of change during the year
1) Vegil Labs Private Limited	55000	55	-
2) Dr. Kishan Gurram	28000	28	-
3) Dr. Deepak Agrawal	7000	7	-

Name of Promoter	As at 31 March 2023		
	No. of Shares held	% of holding	% of change during the year
1) Vegil Labs Private Limited	55000	55	-
2) Dr. Kishan Gurram	28000	28	-
3) Dr. Deepak Agrawal	7000	7	-

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED
(all amounts in Indian rupees, except share data and where otherwise stated)

10 Statement of Changes in Equity

a. Equity Share Capital

Particulars	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the reporting period	10,00,000	10,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	10,00,000	10,00,000

b. Other Equity

Particulars	Retained Earnings (Note No.7B(i))	FV of Pref Share Liability (Note No.7B(ii))	OCI Actuarial Gain / (Loss) on Defined Benefit Plan	31.03.2024
Balance at the beginning of the Reporting period	(5,78,87,672)	91,24,626	1,48,359	(4,86,14,688)
Addition during the year	-	10,75,989	-	10,75,989
Total Comprehensive income for the year	(2,73,75,815)	-	(2,80,581)	(2,76,56,396)
Dividends	-	-	-	-
Deferred tax on FV of Pref Share liability	-	(2,79,757)	-	(2,79,757)
Transfer to retained earning	-	-	-	-
For the year	-	-	-	-
Balance at the end of the reporting period	(8,52,63,488)	99,20,858	(1,32,222)	(7,54,74,852)

Particulars	Retained Earnings (Note No.7B(i))	FV of Pref Share Liability (Note No.7B(ii))	OCI Actuarial Gain / (Loss) on Defined Benefit Plan	31.03.2023
Balance at the beginning of the Reporting period	(3,11,48,593)	62,90,486	1,63,220	(2,46,94,886)
Addition during the year	-	38,29,918	-	38,29,918
Total Comprehensive income for the year	(2,67,39,080)	-	(14,861)	(2,67,53,941)
Dividends	-	-	-	-
Deferred tax on FV of Pref Share liability	-	(9,95,779)	-	(9,95,779)
Transfer to retained earning	-	-	-	-
For the year	-	-	-	-
Balance at the end of the reporting period	(5,78,87,672)	91,24,626	1,48,359	(4,86,14,688)

Note :-

i.Retained Earnings:

This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

ii.FV of Pref share Liability:

a) This represents the fair value difference of Compulsorily Convertible Preference shares which have been designated as Financial liability. The same would be transferred to Retained earnings at the time of conversion of Pref shares into equity. The same have been disclosed net of taxes.

b) The Company has classified 9,00,00,000 Compulsory Convertible Non-Cumulative Non-Participate Preference shares as liabilities. Hence, at the time initial reconciliation excess amount received from holding company classified under other equity.

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED
(All amount are in Indian Rupees unless otherwise stated)

	For the Year ended	For the Year ended
13 Borrowings (Refer Note No.31)	31-03-2024	31-03-2023
Particulars		
Unsecured loans		
From Directors	35,85,770	16,56,158
From Shareholders	79,20,179	-
(Company has borrowed unsecured loan from director which is payable on demand along with interest @ 7.5% p.a as per the agreement entered)		
TOTAL	1,15,05,949	16,56,158

14 Trade Payables (Refer Note No.31)	31-03-2024	31-03-2023
Particulars		
a) Total outstanding dues of micro enterprises and small enterprises	9,52,853	5,60,836
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,73,039	8,00,701
TOTAL	22,25,892	13,61,537

15 Other Financial Liabilities	31-03-2024	31-03-2023
Particulars		
a) Amount payable to employees / Expenses	7,32,869	15,507
TOTAL	7,32,869	15,507

16 Other Current Liabilities	31-03-2024	31-03-2023
Particulars		
a) Tax deduction at Source	10,77,758	4,31,618
b) Professional Tax payable	4,800	5,800
c) Salary / Stipend Payable	32,32,409	18,66,090
d) GST RCM Payable	3,723	-
e) Unclaimed Salary / Bonus	6,74,881	1,93,060
TOTAL	49,93,571	24,96,568

17 Provisions	31-03-2024	31-03-2023
Particulars		
Provision for Employee Benefits		
a) Provision for Leave Encashment	88,286	1,28,843
b) Provident Fund	3,03,318	1,71,317
c) Provision for Gratuity	1,82,904	26,629
Other Provisions		
a) Provision For Audit Fee	36,000	36,000
b) Provision For Expenses	2,250	-
TOTAL	6,12,758	3,62,789

18 Revenue from Operations	31-03-2024	31-03-2023
Particulars		
a) Sale of Services	73,00,000	23,00,000
TOTAL	73,00,000	23,00,000

19 Other Income	31-03-2024	31-03-2023
Particulars		
a) Notional Interest on Security Deposit	-	10,377
b) Others	6,803	43,763
TOTAL	6,803	54,140

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(All amount are in Indian Rupees unless otherwise stated)

	For the Year ended	For the Year ended
20 Employee Benefits Expense	31-03-2024	31-03-2023
Particulars		
a) Salaries & Wages	2,76,44,746	2,61,43,297
b) Contribution To Provident Fund/ Other Fund	10,28,188	10,47,729
c) Staff Welfare Expenses	2,14,941	3,57,198
d) Contribution To Gratuity	4,54,744	2,12,799
TOTAL	2,93,42,619	2,77,61,023

21 Finance Cost

Particulars	31-03-2024	31-03-2023
a) Notional Interest on Leases Liability	-	3,276
b) Interest on Unsecured Loan	3,06,611	6,843
c) Interest on Pref Share liability	54,41,820	34,54,557
TOTAL	57,48,431	34,64,676

22 Other expenses

Particulars	31-03-2024	31-03-2023
a) Power And Fuel	1,20,000	1,20,000
b) <u>Repairs & Maintenance</u>	-	-
i) Others	5,41,381	2,88,641
c) Rent	12,35,358	8,93,025
d) Payment to Auditors (Refer Note 23)	57,500	70,000
e) Research & Development Expenses	14,08,018	1,60,135
f) Insurance Charges	5,064	2,514
g) Professional & Consultancy	22,91,717	25,89,163
h) Rates & Taxes	1,47,339	2,81,789
i) Miscellaneous Exp	9,60,781	2,26,257
j) Printing and Stationery	1,280	5,500
k) Bad Debts	7,08,000	-
l) Consumables	2,95,422	7,52,180
TOTAL	77,71,861	53,89,204

23 Payment to Statutory Auditors *

Particulars	31-03-2024	31-03-2023
a) Statutory Audit	40,000	55,000
b) Certification	2,500	-
c) IT Returns	15,000	15,000
TOTAL	57,500	70,000

* Excluding GST

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24 Employee Benefits

I) Defined Contribution Plan	Year ended	Year ended
Particulars	31st March, 2024	31st March, 2023
Provident Fund	10,28,188	10,47,729
Total	10,28,188	10,47,729

II) DEFINED BENEFIT PLAN (GRATUITY)		
Movement of Present value of the Defined Benefit Obligation	Year ended	Year ended
	31st March, 2024	31st March, 2023
i) Change in Defined Benefit Obligation		
Obligations at Period Beginning	4,07,359	1,52,705
Service Cost	4,24,151	2,01,621
Interest on Defined Benefit Obligation	30,593	11,178
Benefits Settled	-	-
Actuarial (Gain)/Loss	2,62,748	41,855
Obligations at Period End	11,24,851	4,07,359
ii) Change in Plan Assets		
Plans Assets at Period Beginning, at Fair value	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	2,62,748	41,855
Employer Contribution	-	-
Benefits Payout	-	-
Plans Assets at Period End, at Fair Value	2,62,748	41,855
iii) Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Closing PBO	11,24,851	4,07,359
Closing Fair value of Plan Assets	-	-
Closing Funded Status	(11,24,851)	(4,07,359)
Unrecognised actuarial (Gains)/Losses		
Net Asset/(Liability) Recognized in the Balance Sheet	(11,24,851)	(4,07,359)
iv) Expenses Recognised in the P & L Account		
Service Cost	4,24,151	2,01,621
Interest Cost	30,593	11,178
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	2,62,748	41,855
Net Gratuity Cost	7,17,492	2,54,654
C. Principal Actuarial Assumptions		
Interest Rate		
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	7.23%	7.51%
Expected rate of return on assets	0%	0%
Salary escalation (taking into account inflation, seniority, promotion and other relevant factors)	12%	12%
Attrition rate of employees	10%	10%
Retirement age of employees (Years)	60 & 68	60 & 68

Actuarial gain/loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc is taken into account for the purpose of calculating the provision for gratuity liability based on actuarial valuation. The Company has unfunded scheme for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as

Particulars	Year ended 31.03.2024		
	Increase/(decrease) in DBO	Liability	Increase/(decrease) in DBO
Discount rate Up by 1%	-4.72%	10,71,799	53,093
Discount rate Down by 1%	5.21%	11,83,476	(58,605)
Salary growth rate Up by 1%	5.42%	11,85,792	(60,967)
Salary growth rate Down by 1%	-5.04%	10,68,116	56,692
Withdrawal Rates - Up by 1%	-2.09%	11,01,298	23,509
Withdrawal Rates - Down by 1%	2.20%	11,49,630	(24,747)
Mortality Rates - Up by 10%	-0.01%	11,24,006	112
Mortality Rates - Down by 10%	0.01%	11,25,006	(112)

Sensitivity analysis of significant actuarial assumptions is computed by varying one actuarial assumptions used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.

Particulars	Year ended 31.03.2023		
	Increase/(decrease) in DBO	Liability	Increase/(decrease) in DBO
Discount rate Up by 1%	-3.45%	3,93,307	14,054
Discount rate Down by 1%	3.68%	4,22,332	(14,991)
Salary growth rate Up by 1%	4.02%	4,23,753	(16,376)
Salary growth rate Down by 1%	-3.85%	3,91,686	15,683
Withdrawal Rates - Up by 1%	-2.32%	3,97,927	9,451
Withdrawal Rates - Down by 1%	2.38%	4,17,071	(9,695)
Mortality Rates - Up by 10%	0.02%	4,07,459	(81)
Mortality Rates - Down by 10%	-0.02%	4,07,259	81

Sensitivity analysis of significant actuarial assumptions is computed by varying one actuarial assumptions used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.

25 Fair value measurement hierarchy:

Particulars	FVTPL	FVTOCI	Amortised Cost	Total
31-03-2024				
Non-current investments	-	-	-	-
Current investment	-	-	-	-
Trade receivable	-	-	-	-
Cash & bank balance	-	-	46,168	46,168
Other financial assets	-	-	6,00,000	6,00,000
	-	-	6,46,168	6,46,168
Financial Liability.				
Non-current Financial Liability		-	-	-
- Borrowings (Level 2)	8,75,94,068	-	-	8,75,94,068
- Others (Level 2)	-	-	-	-
Current Liability				
- Borrowings (Level 2)	-	-	1,15,05,949	1,15,05,949
- Trade payables	-	-	22,25,892	22,25,892
- Other financial liabilities (Level 2)	-	-	7,32,869	7,32,869
	8,75,94,068	-	1,44,64,710	10,20,58,778
Financial Assets				
31-03-2023				
Non-current investments	-	-	-	-
Current investment	-	-	-	-
Trade receivable	-	-	14,04,000	14,04,000
Cash & bank balance	-	-	77,340	77,340
Other financial assets	-	-	6,00,000	6,00,000
	-	-	20,81,340	20,81,340
Financial Liability.				
Non-current Financial Liability		-	-	-
- Borrowings (Level 2)	6,84,03,237	-	-	6,84,03,237
- Others (Level 2)	-	-	-	-
Current Liability				
- Borrowings (Level 2)	-	-	16,56,158	16,56,158
- Trade payables	-	-	13,61,537	13,61,537
- Other financial liabilities (Level 2)	-	-	15,507	15,507
	6,84,03,237	-	30,33,202	7,14,36,439

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

1. The use of quoted market prices or dealer quotes for similar instruments.
2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
3. The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

1. Financial Risk Management

The Company's activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The Company focuses on minimizing potential adverse effect on its financial performance.

(A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets /liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk

The Company does not operate internationally, Hence it is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, the Company manage its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period is average weighted balance of the respective reporting period.

According to the Company, interest rate risk exposure is only for floating rate borrowings. Since we don't have floating rate borrowing and hence this disclosure is not applicable for the year ended March 31, 2024.

(iii) Price Risk

Company does not have any exposure to price risk, as there is no market based equity instrument made by the Company.

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthness of the customer on a continuous basis to whom the credit has been granted. Company does not have any Receivable during the Financial Year. Hence, the company is not exposed to liquidity risk.

(C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for paying liability when they are due, under normal and stressed condition without incurring losses and risk.

Maturity profile of loans and financial liabilities as on March 31, 2024

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	1,15,05,949	-	-	-
Long term borrowings	-	-	8,75,94,068	-
Trade payable	-	22,25,892	-	-
Other financial liabilities	-	7,32,869	-	-
TOTAL	1,15,05,949.00	22,25,892	8,75,94,068	-

Maturity profile of loans and financial liabilities as on March 31, 2023

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	16,56,158	-	-	-
Long term borrowings	-	-	6,84,03,237	-
Trade payable	-	13,61,537	-	-
Other financial liabilities	-	15,507	-	-
TOTAL	16,56,158.00	13,61,537	6,84,03,237	-

26 Capital Management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet)

Particulars	31.03.2024	31.03.2023
Net Debt	9,91,00,017	7,00,59,395
Total Equity	(7,44,74,852)	(4,76,14,688)
Debt Equity Ratio	(1.33)	(1.47)

27 Leases
a) The Carrying value of right of use assets at the end of the reporting period by class

Particulars	31.03.2024	31.03.2023
i) Buildings		
Balance as at March 31, 2023	0	2,67,114
Lease entered during the year	-	-
Amortised during the year	-	2,67,114
Balance as at March 31, 2024	0	0

b) Movement of Lease Liability during the year

Particulars	31.03.2024	31.03.2023
Opening balance	(0)	2,80,224
Additions	-	-
Add: Interest accrued for the year	-	3,276
Less: Payment of Lease Liabilities	-	2,83,500
a) Non-current	-	-
b) Current	-	-
Balance at the year end	(0)	(0)

b) Maturity Analysis of Lease Liabilities

Maturity analysis – contractual undiscounted cash flows	31.03.2024	31.03.2023
Less than one year	-	2,83,500
One to five years	22,14,000	22,14,000
More than five years	-	-
Total undiscounted lease liabilities at 31 March 2024	22,14,000	24,97,500
Lease liabilities included in the statement of financial position		

C) Amount recognised in Profit and Loss Account

Particulars	31.03.2024	31.03.2023
Interest on Lease liabilities	-	3,276
Amortisation of ROU	-	2,67,114

28 Reconciliation of Tax Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Statement of Profit or loss		
Current Tax	-	-
Deferred Tax	(96,28,257)	(95,61,947)
Amount recognised in statement of profit & loss account	(96,28,257)	(95,61,947)
Profit / (Loss) before tax	(3,70,04,073)	(3,63,01,027)
Tax at enacted tax rate in India C.Y. @ 26%	-	-
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income		
Exempt income & Other (net)	-	-
Non-deductible items under Income tax Act	-	-
Deferred tax asset on unabsorbed Business Losses	(78,40,083)	(85,77,733)
Others	(17,88,174)	(9,84,214)
Income tax expense reported in the profit or loss relating to operations	(96,28,257)	(95,61,947)

28.01 Movement of Deferred tax Assets / Liability

Particulars	As at 31.03.2023	Charge/ (Credit) to Profit & Loss account	Through Other Equity/OCI	As at 31.03.2024
Deferred Tax Liability (Net) in relation to:				
Property, plant and equipment, and intangible assets	70,414	38,310	-	1,08,724
Liabilities FV through PL A/c	(17,94,849)	13,48,021	(2,79,757)	(7,26,585)
Leases Liability (Net)	3	(3)		-
Deferred Tax Liability (Net)	(17,24,432)	13,86,328	(2,79,757)	(6,17,861)
Deferred Tax Asset (Net) in relation to;				
Loss as per IT Act	1,90,91,254	78,40,083	-	2,69,31,337
Other disallowance expenses	1,80,840	(2,10,983)	5,54,932	5,24,789
Liabilities FV through PL A/c	-	-	-	-
Deferred Tax Asset (Net)	1,92,72,094	76,29,100	5,54,932	2,74,56,126
Net Deferred Tax (Liability) / Asset	1,75,47,662	90,15,428	2,75,175	2,68,38,265

Particulars	As at 31.03.2022	Charge/ (Credit) to Profit & Loss account	Through Other Equity/OCI	As at 31.03.2023
Deferred Tax Liability (Net) in relation to:				
Property, plant and equipment, and intangible assets	82,058	(11,644)	-	70,414
Liabilities FV through PL A/c	(16,88,881)	8,89,811	(9,95,779)	(17,94,849)
Leases Liability (Net)	(5,949)	5,952		3
Deferred Tax Liability (Net)	(16,12,772)	8,84,119	(9,95,779)	(17,24,432)
Deferred Tax Asset (Net) in relation to;				
Loss as per IT Act	1,05,13,521	85,77,733	-	1,90,91,254
Other disallowance expenses	73,688	1,00,095	7,057	1,80,840
Liabilities FV through PL A/c	-	-	-	-
Deferred Tax Asset (Net)	1,05,87,209	86,77,828	7,057	1,92,72,094
Net Deferred Tax (Liability) / Asset	89,74,437	95,61,947	(9,88,722)	1,75,47,662

29 Earning Per Share

Particulars	31-03-2024	31-03-2023
Net Profit after taxes	(2,76,56,396)	(2,67,59,163)
Weighted Average No of Equity shares	1,00,000	1,00,000
Face Value	10	10
Basic & Diluted EPS	(276.56)	(267.59)

30 In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

31 Balances of Trade Receivables / Trade payables / Borrowings/ Deposits and balance of GST are subject to confirmation/Reconciliation

32 Disclosure required under Clause 13 of Micro, Small and Medium Enterprise Development('MSMED') Act, 2006

Particulars	As at 31st March,2024	As at 31st March,2023
a. Principal and interest amount remaining unpaid	9,52,853	5,60,836
b. Interest due thereon remaining unpaid (Note No,02 below)	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years,	-	-

1.The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers

2. Company has not provided interest on MSME dues as per the terms agreed with supplier.

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(All amounts are in Indian Rupees unless otherwise stated)

33.01 Trade Payables ageing schedule

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	2024
(i)	MSME	9,52,853	-	-	-	9,52,853
(ii)	Others	12,73,039	-	-	-	12,73,039
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
	Total	22,25,892	-	-	-	22,25,892

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	2023
(i)	MSME	5,60,836	-	-	-	5,60,836
(ii)	Others	8,00,701	-	-	-	8,00,701
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
	Total	13,61,537	-	-	-	13,61,537

33.02 Trade Receivables ageing schedule

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	2024
(i)	Undisputed Trade Receivables – Considered good	-	-	-	-	-
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables – Credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables – Considered good	-	-	-	-	-
	Total	-	-	-	-	-

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	2023
(i)	Undisputed Trade Receivables – Considered good	14,04,000	-	-	-	14,04,000
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables – Credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables – Considered good	-	-	-	-	-
	Total	14,04,000	-	-	-	14,04,000

33.03 Intangible assets under development

Sl. No	Particulars	Amount in CWIP for a period of				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	2024
(i)	Projects in progress	4,18,273	-	-	-	4,18,273
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	4,18,273	-	-	-	4,18,273

Sl. No	Particulars	Amount in CWIP for a period of				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	2023
(i)	Projects in progress	-	-	-	-	-
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	-	-	-	-	-

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34 Analytical Ratios

S.No	Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	variance %	Reasons for Variance of above 25 %
34.02	Current Ratio (no. of times)	Current Assets	Current Liabilities	0.15	0.75	-80%	Decrease is On account of increase in during the year.
34.03	Debt Equity ratio (no. of times)	Total Debt	Shareholder's Equity	(1.33)	(1.47)	-10%	-
34.04	Debt service coverage ratio (no. of times)	Earnings available for debt service	Debt Service	NA	NA	NA	The company has no term loan which attracts timely debt obligations. Hence, ratio is not provided
34.05	Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	0.45	0.75	-40%	Decrease is on account of rise in the losses incurred during the year.
34.06	Inventory turnover ratio (no. of times)	Cost of goods sold (or) sales	Average Inventory	NA	NA	NA	This is not applicable as company have no inventories at the balance sheet date.
34.07	Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	5.20	3.28	59%	Increase is on account of massive increase in revenue made during the year.
34.08	Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	4.33	3.81	14%	-
34.09	Net capital turnover ratio (no. of times)	Net Sales	Average Working Capital	(0.79)	(2.74)	-71%	Decrease is on account of massive increase in revenue made during the year.
34.1	Net profit ratio (%)	Net Profits after taxes	Net Sales	-379%	-1163%	-67%	Decrease is on account of massive increase in revenue made during the year.
34.11	Return on Capital employed (%)	Earning before interest and taxes	Capital Employed	11.88	-6.18	-292%	This is mainly on account of substantial increase in debts taken during the year.

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(All amounts are in Indian Rupees unless otherwise stated)

35.01 Additional Regulatory information

35.02 Title deeds of immovable properties

The Company does not hold any immovable property during the year.

35.03 Valuation of Property Plant & Equipment, intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

35.04 Loans or advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of

35.05 Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

35.06 Borrowing secured against current assets

The Company has no borrowings from banks on the basis of any security of current or other assets.

35.07 Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

35.08 Relationship with struck off companies

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

35.09 Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

35.10 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

35.11 Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

35.12 Utilisation of borrowed funds and share premium

No funds 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 entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35.13 Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

35.14 Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

35.15 Utilisation of borrowings availed from banks and financial institutions

No borrowings obtained by the company from banks and financial institutions.

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

For and on behalf of Board of Directors

Sd/-
CA.Yogesh R Bung
Partner
M.No: 143932

Sd/-
Keshav Bhutada
Director
DIN No. 08222057

Sd/-
Kishan Gurram
Managing Director
DIN No. 06869882

Place : Raichur
Date: 22.05.2024

Place : Raichur
Date: 22.05.2024

SRAVATHI AI TECHNOLOGY PRIVATE LIMITED

(All amounts are in Indian Rupees unless otherwise stated)

36 Related Party Transactions**Key Management Personnel (KMP)**

- 1 Dr. Kishan Gurram

Joint Venture Partner

- 1 Vegil Labs Pvt Ltd
- 2 Dr. Ramanarayanan G V
- 3 Dr. Sivakumar Sreeramagiri
- 4 Dr. Rajappan Vetrivel
- 5 Dr. Deepak Agrawal

Common Key Management Personnel (KMP)

- 1 Sravathi Advance Process Technologies Pvt Ltd

SL No	Name of related Party	Relationship	Descriptions of Transaction	31.03.2024	31.03.2023
1	Vegil Labs Private Limited	JV Partner	0.1% Non Cumulative, Non-participatable Convertible Pref. Share Capital	9,00,00,000	7,51,75,000
2	Dr. Kishan Gurram	KMP	Remuneration Equity shares issued Reimbursement of Expenses Balance Remuneration Payable <u>Loan taken</u> a) Outstanding balance b) Loan granted c) Loan repaid d) Interest paid on Unsecured Loan @ 7.5% e) Maximum balance outstanding	2,04,000 - 1,04,875 44,000 35,85,770 39,80,000 -5,00,000 1,17,523 35,85,770	2,04,000 - - 22,000 16,56,158 16,50,000 - 6,843 16,56,158
3	Dr. Ramanarayanan G V	JV Partner	Remuneration Equity shares issued Balance Remuneration Payable	2,04,000 - 44,000	2,04,000 - 23,200
4	Dr. Sivakumar Sreeramagiri	JV Partner	Remuneration Equity shares issued Balance Remuneration Payable	2,04,000 - 44,000	2,04,000 - 23,200
5	Dr. Rajappan Vetrivel	JV Partner	Remuneration Equity shares issued Balance Remuneration Payable	6,00,000 - 1,91,100	6,00,000 - 95,600
6	Dr. Deepak Agrawal	JV Partner	Remuneration Equity shares issued Reimbursement of Expenses Balance Remuneration Payable a) Outstanding balance b) Loan granted c) Loan repaid d) Interest paid on Unsecured Loan @ 7.5% e) Maximum balance outstanding	18,00,000 - 6,27,994 4,44,190 79,20,179 77,50,000 - 1,89,088 79,20,179	18,00,000 - 13,817 2,22,120 - - - - -
7	Sravathi Advance Process Technologies Pvt Ltd	Common KMP	Reimbursement of Expenses	1,20,000	1,20,000

- 37 The company has issued 9,00,00,000 Compulsory Convertible Non-Cumulative Non-Participate Preference shares having a face value of Rs.100 each. The Preference share shall carry a coupon rate of 0.1%. The tenure of Preference Share shall be ranging from 3 year to 6 year period and since the are redemable in nature the same has been classified as Borrowing under financial Liabilities.

As per our report of even date attached
for **Bohara Bhandari Bung And Associates LLP**
Chartered Accountants
(Firm's Regn No.008127S/S-200013)

Sd/-
CA. Yogesh R Bung
Partner
Membership No. 143932

Place : Raichur
Date: 22.05.2024

For and on behalf of Board of Directors

Sd/-	Sd/-
Keshav Bhutada	Kishan Gurram
Director	Managing Director
DIN No. 08222057	DIN No. 06869882

Place : Raichur
Date: 22.05.2024