

INDEPENDENT AUDITOR'S REPORT**To the Members of MMRFIC Technology Private Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of MMRFIC Technology Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary Vcreatech Labs Private Limited (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

Emphasis of Matter

We draw attention to Note 5A to the consolidated financial statements, which describes management's assessment regarding certain internally developed intangible assets that have not incurred development expenditure during the current and immediately preceding financial years. Management expects development to recommence in the near term and has assessed the recoverability of these assets. Based on such assessment, the carrying amount of these assets has been retained.

Our opinion is not modified in respect of this matter.



Other information

The Company's Board of Directors and the Management is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the Financial Statements and our auditor's report thereon. 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.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Group; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the consolidated financial statements.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Holding Company and its subsidiary company so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164(2) of the Act;

(f) The provisions of Section 143(3)(i) of the Act relating to reporting on the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such



controls are not applicable to the Holding Company, being a private limited company not meeting the specified criteria;

(g) 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:

i. The Group has no pending litigations which would impact its consolidated financial position;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

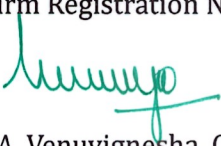
v. The Group has not declared dividend or paid during the year and hence the compliance with section 123 of the companies Act, 2013 is not applicable to the Group.

vi. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1 (b) above on reporting under Section 143(3)(b) and paragraph h (vii) below on reporting under Rule 11(g).

vii. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.



For S V C & Co.
Chartered Accountants
Firm Registration No.: 0124038



CA. Venuvignesha. C
Partner

Membership No.: 215111

UDIN: 25215111BMMHSQ8576



Place: Bengaluru

Date: 30th May 2025

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non current assets			
a Property, plant and equipment	3	70,403	79,329
b Right of use asset	3A	74,079	38,732
c Intangible assets	4	47,676	1,182
d Capital work in progress	5	11,968	-
e Intangible assets under development	5A	88,893	58,902
f Financial assets		-	-
(i) Investments	6	-	-
(ii) Other financial assets (non current)	7	13,982	67,704
g Deferred tax assets (net)	8	4,660	938
Total non current assets		3,11,661	2,46,787
Current assets			
a Inventory	9	54,601	31,941
b Financial assets		-	-
(i) Trade receivables	10	1,47,334	1,06,464
(ii) Cash and cash equivalents	11(a)	82,040	11,621
(iii) Bank balances Other than cash and cash equivalents	11(b)	17,598	2,498
(iv) Loans	12	14,022	-
(v) Other financial assets (current)	13	29,708	3,173
d Other current assets	14	32,321	13,556
Total current assets		3,77,624	1,69,253
TOTAL ASSETS		6,89,284	4,16,040
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	15	8,397	15,623
b Other equity	16	4,42,701	3,09,540
TOTAL EQUITY		4,51,098	3,25,163
Share application money pending allotment			
Liabilities			
Non current liabilities			
a Financial liabilities		-	-
(i) Borrowings	17	88,451	288
(ii) Lease Liabilities	17A	60,964	33,637
b Provisions	18	3,974	2,427
Total non current liabilities		1,53,389	36,353
Current liabilities			
a Financial liabilities		-	-
(i) Trade payables		-	-
(a) total outstanding dues of micro enterprises and small enterprises; and	19	79	239
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,263	10,526
(ii) Current borrowings	20	41,499	23,878
(iii) Others financial liabilities	21	6,324	7,426
(iv) Lease Liabilities	17A	15,380	6,724
b Other current liabilities	22	2,822	990
c Provisions	23	982	429
d Current tax liabilities (net)	24	10,448	4,313
Total current liabilities		84,798	54,524
TOTAL EQUITY AND LIABILITIES		6,89,284	4,16,040

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for S V C & Co.,
Chartered Accountants
FRN : 012403S

CA. Venuvignesha. C
Partner
Membership No : 215111

Place: Bengaluru
Date: 30.05.2025
UDIN: 25215111BMMHSQ8576



for MMRFIC Technology Private Limited

Sarvana Kumar G Ravi C Vijayaraghavan
Director Director
DIN - 06877397 DIN - 07811598

Place: Bengaluru Place: Bengaluru
Date: 30.05.2025 Date: 30.05.2025

Particulars	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
I Revenue from operations	25	158,440	151,646
II Other income	26	40,058	2,293
III Total income (I) + (II)		198,498	153,939
Expenses			
IV Cost of materials consumed	27	41,674	16,740
VI Changes in inventories	29	-23,454	-
VII Employee benefits expense	30	38,449	26,687
VIII Depreciation and amortisation	31	58,786	17,431
IX Finance cost	32	11,642	4,614
X Other expenses	33	43,019	20,101
XI Total expenses (IV) : (X)		170,116	85,574
XII Profit/(loss) before tax (III) - (XI)		28,382	68,365
XIII Tax expense:	34		
- Current tax		11,752	17,531
- Deferred tax (income)/ expense		-3,589	-507
XIV Profit/(loss) for the year (XII) - (XIII)		20,219	51,340
XV Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a Remeasurements of defined benefit liability		(526)	(847)
(ii) Income tax relating to items that will not be reclassified to profit or loss		132	-
XVI Total other comprehensive income (i) - (ii)		(393)	(847)
XVII Total comprehensive income for the year		19,826	50,494
Earnings per equity share: (face value of ₹1 each) (in absolute numbers)			
-Basic		25	72
-Diluted		23	65

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for S V C & Co.,
Chartered Accountants
FRN : 012403S

CA. Venuvignesh. C
Partner
Membership No : 215111

Place: Bengaluru
Date: 30.05.2025



for MMRFIC Technology Private Limited

Sarvana Kumar G
Director
DIN - 06877397

Place: Bengaluru
Date: 30.05.2025

Ravi C Vijayaraghavan
Director
DIN - 07811598

Place: Bengaluru
Date: 30.05.2025

Particulars	Year ended	Year ended
	31 March 2025	March 31, 2024
Cash flow from operating activities		
Profit before tax	28,382	68,363
Adjustments for :		
Amortisation of ROUA	11,998	6,126
Depreciation on PPE	46,788	12,932
Loss on sale of Assets	-	1,482
Interest Income	(1,954)	(1,454)
Interest expenses	11,642	4,104
Operating profit before working capital changes	96,856	91,554
Changes in Working Capital:		
(Increase)/ decrease in trade receivables	(40,870)	(89,734)
(Increase)/ decrease in Loans and Advances	-	263
(Increase)/ decrease in Other Current Assets	(25,921)	(596)
(Increase)/ decrease in financial assets	20,934	(68,193)
(Increase)/ decrease in Contract Assets	-	60,042
(Increase)/ decrease in Inventory	(22,660)	(1,784)
Increase/ (decrease) in Long Term Provisions	1,022	944
Increase/ (decrease) in Trade Payables	(3,423)	570
Increase/ (decrease) in Other Current Liabilities	48,733	(2,448)
Increase/ (decrease) in Financial Liabilities	(1,101)	4,040
Increase/ (decrease) in Short Term Provisions	553	186
Cash generated from operations	74,122	(5,157)
Income tax paid	(11,752)	(13,247)
Net cash generated from operating activities	62,370	(18,403)
Cash flow from investing activities		
Purchase of tangible	(119,703)	(81,843)
Capital work in progress	(11,968)	-
Bank balances Other than cash and cash equivalents	(15,100)	728,943
Intangible assets under development	(41,989)	(44,671)
Investment in Subsidiary	-	-
Interest Income Received	1,341	1,165
Net cash from / (used in) investing activities	(187,418)	(124,620)
Cash flow from financing activities		
Payment of Interest on Lease	(4,091)	(1,627)
Payment of Lease Principal	(4,784)	(316)
Proceeds from Short term borrowings	17,621	(30,387)
Proceeds from Long term borrowings	88,163	(9,432)
Proceeds from issue of share capital	106,110	200,005
Increase/ (decrease) Minority Interest	-	1
Interest paid during the year	(7,551)	(4,104)
Net cash from / (used in) financing activities	195,468	154,141
Net increase/decrease in Cash and Cash Equivalents	70,419	11,117
Cash and Cash Equivalents at the beginning of the period	11,621	504
Cash and Cash Equivalents at the end of the period	82,040	11,621
Components of cash and cash equivalents		
Cash on Hand		-
Balance with Banks		
In current Accounts	82,040	11,621
Total	82,040	11,621



Changes in liabilities arising from financing activities

Opening balance		
Non-current borrowings (including current maturities)	288	30,675
Lease liabilities	40,361	-
Other contribution by owners	-	-
Current borrowings	23,878	54,265
Interest accrued but not due on borrowings	-	-
Total	64,527	84,940
Movement		
Cash inflows		
Proceeds from long term borrowings	88,163	
Cash outflows		
Repayment of long term borrowings (including current maturities)	-	-9,432
Payment of principle portion of lease liabilities	-12,957	-316
Payment of interest portion of lease liabilities	-	-1,627
Interest paid	-4,403	-4,104
Proceeds / (repayment) from / (of) short term borrowings (net)	17,621	-30,387
Total	88,424	-45,866
Others		
Accretion of interest on borrowings	4,403	4,104
Accretion of interest on lease liabilities	4,091	1,627
Impact of lease addition and terminations (net)	44,849	40,677
Total	53,343	46,408
Closing balance		
Non-current borrowings	88,451	288
Lease liabilities	76,344	40,361
Current borrowings	41,499	23,878
Total	206,294	64,527

Note: The above cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for S V C & Co.,
Chartered Accountants
FRN : 0124035

CA. Venuvignesh. C
Partner
Membership No : 215111

Place: Bengaluru
Date: 30.05.2025



for MMRFIC Technology Private Limited

Sarvana Kumar G Ravi C Vijayaraghavan
Director Director
DIN - 06877397 DIN - 07811598

Place: Bengaluru Place: Bengaluru
Date: 30.05.2025 Date: 30.05.2025

1 Company background

The Company was incorporated in the State of Karnataka, India on November 20, 2014 under the Companies Act, 1956. The Company has been established to provide business in technological field and offer consultation on their career and to establish, maintain, conduct, provide, procure, design, develop, Productize, market or make available hardware and software of MilliMeter RadioFrequency Integrated Circuit, Intellectual Property, Technological, engineering and data processing services to cater to the needs of the world market.

2 Basis of preparation of financial statements

2.1 Basis of preparation and statement of compliance

The financial statements are prepared under historical cost convention on a going concern and accrual basis in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the said Act to the extent applicable and presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements. All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Act as well as guidance note issued by the Institute Of Chartered Accountants of India.

2.1.A Principles of Consolidation

- i The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.
 - ii Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
 - iii In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
 - iv The audited / unaudited financial statements of foreign subsidiaries / joint ventures / associates have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
- The differences in accounting policies of the Company and its subsidiaries / joint ventures / associates are not material and there are no material transactions from 1st January, 2024 to 31st March, 2024 in respect of subsidiaries / joint ventures / associates having financial year ended 31st December, 2023.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All the amounts have been rounded-off to the nearest thousands (₹ 000), unless otherwise indicated. If an amount is stated as 0, it indicates that the value is below ₹ 1,000.

2.3 Use of estimates and judgements

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience, various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Information about judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in financial statement wherever necessary.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial year ending 31 March 2025 are disclosed in financial statement wherever necessary.

2.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



2.5 Material accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied, unless otherwise stated.

2.5.1 Property, plant & equipment; intangible assets; depreciation and amortisation

a Property, plant & equipment and depreciation

All items of property and equipment are initially recorded at cost. Cost of property and equipment comprises purchase price, non-refundable taxes, levies, and any directly attributable cost of bringing the asset to its working condition for the intended use. After initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property and equipment.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property and equipment are eliminated from standalone financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property and equipment and gains or losses arising from disposal of property and equipment are recognised in statement of profit and loss in the year of occurrence.

Transition to Ind AS:

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Indian GAAP for all items of property, plant and equipment except for adjustment of certain prior period errors and certain consequential adjustments due to application of Ind AS 101.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a written down value method over the estimated useful lives of the assets. The useful lives of the property, plant and equipment are as follows:

Nature of assets	Useful life
Furniture & fixtures	10 years
Office equipment	5 years
Plant and Machinery	15 years
Motor Vehicle	8 years
Computer equipment	3 years
Computer software	3 years

b Intangible assets and amortisation

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. Following initial recognition, intangible assets are carried at cost, less accumulated amortisation and accumulated impairment, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and Development cost:

Research cost are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can

- The technical feasibility of completing the intangible asset so that asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate to complete the asset.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during the development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

The useful lives are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

2.5.2 Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses (if any).

Initial direct costs incurred by the company in negotiating and arranging an operating lease are added to the carrying amount of the respective investment property and are amortised over the lease term on the same basis as the lease income.

The fair values of investment property is disclosed in the notes. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification, and has seasoned experience in the location and category of the investment property being valued.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a written down value method over the estimated useful lives of the assets.



2.5.3 Leases

a. Company as a lessee

Recognition, measurement and depreciation

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.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

b. Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

2.5.4 Financial instruments

A Financial assets

i. Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through Profit or Loss. Financial assets carried at fair value through Profit or Loss are initially recognised at fair value and transaction costs are expensed in the Statement of Profit and Loss.

ii. Subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit & loss- (FVTPL)

On the basis of:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial assets

a. Measured at amortised cost

A financial asset is measured at amortised cost, if it is held under "the hold to collect business model" i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

The losses arising from impairment of these assets are recognised in the Statement of Profit and Loss.

On derecognition of these assets, gain or loss, if any, is recognised to Statement of Profit and Loss.

b. Measured at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI, if it is held under "the hold to collect and sell business model" i.e. held with an objective to collect contractual cash flows and selling such financial asset, and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method.



Equity instruments:

Equity investments made by the Company are measured through FVTOCI. All fair value changes on the instrument, excluding dividends, are recognised in OCI. The Company will transfer the cumulative gain or loss upon disinvestment within equity.

Investments in Subsidiaries, Associates and Joint Ventures:

In its Separate Financial Statements, the Company accounts for its investments in subsidiaries, associates and joint ventures at cost in accordance with Ind AS 27.

c. Measured at Fair Value through Profit & Loss (FVTPL)

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value and changes in fair value, including interest income and dividend income, if any, are recognised in the Statement of Profit and Loss.

iii. Derecognition

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expires, or it transfers the contractual rights to receive the cash flows from the asset.

iv. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs.

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

B Financial liabilities

i. Initial recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

ii. Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured using 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.

iii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5.5 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.5.6 Cash and cash equivalents

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

2.5.7 Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.



Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates and tax laws enacted or substantially enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary difference arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries, 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 recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in any case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on a different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.5.8 Provisions and contingencies

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, which is expected to be settled 12 months after the Balance Sheet date. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A Contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with the contract.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements.

2.5.9 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.5.10 Impairment of Non-financial Assets

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated



2.5.11 Inventory

Raw materials, work-in-progress (WIP) and finished goods are valued at the lower of cost and net realizable value.

Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal activity level.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Raw material and WIP held for the production of finished goods are not written down below cost except in case where it is estimated that the cost of the finished product will exceed its net realizable value.

2.5.12 Revenue recognition

Revenue arises mainly from income from selling inventory and other income.

To determine whether the Company should recognise revenues, the Company follows 5-step process:

- a. identifying the contract, or contracts, with a customer
- b. identifying the performance obligations in each contract
- c. determining the transaction price
- d. allocating the transaction price to the performance obligations in each contract
- e. recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services

Revenue from operations

The main revenue generating activity of the company is to establish, maintain, conduct, provide, procure, design, develop, productize, market or make available hardware and software of MilliMeter, RadioFrequency Integrated Circuit, Intellectual Property, Technological, engineering and data processing services to cater to the needs of the consumer.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer and presented as 'Deferred revenue'. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customer's'.

Unbilled revenues are classified as a financial asset where the right to consideration is unconditional upon passage of time.

Other income - Interest income

Interest income is recorded using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. Interest income is included under the head "finance income" in the statement of profit and loss account.

2.5.13 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plan - provident fund and other funds

Employees receive benefits from a provident fund and other funds, which is a defined contribution plan. Both the employee and the Company make monthly contributions to these fund equal to a specified percentage of the covered employee's salary. The Company recognizes contribution payable to the funds scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

iii. Defined benefit plan - gratuity and compensated absences

a. Gratuity:

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in

b. Compensated absences:

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Short-term encashment of accumulated leave balances are accounted for in the year in which the leave balances are credited to employees on actual basis.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

v. Share based payment arrangements

Employees (including senior executives) of the Company and its subsidiaries receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments of the Company. The Company settles this transactions and hence these share based payment arrangements are recognised as equity-settled transactions.

The cost is recognised in employee benefits expense for employees of the Company with a corresponding increase in share based payment reserve of the Company's equity over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.



In respect of equity settled share based payment resulting from the Company to employees of the Group, the amount equivalent to the cost recorded by the Company is recorded at fair value of the stock options.

The fair value of the stock options are measured at each grant date based on half yearly valuations conducted by the Company.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

No expense is recognised for awards that do not ultimately vest because nonmarket performance and/or service conditions have not been met.

2.5.14 Investment in subsidiaries, associates, and joint venture

The Company has accounted for its investment in subsidiaries or associates or joint venture at cost less impairment. The Company assesses investments in subsidiaries, associates and joint venture for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary, associate or joint venture. The recoverable amount of such investment is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

Investment in a subsidiary or an associate or a joint venture acquired in stages are accounted after re-measuring the equity interest held up to the date on which control or significant influence was first achieved, at its fair value on date of obtaining control or significant influence.

2.5.15 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 item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

2.5.16 Segment reporting

- i. **Identification of segments** - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.
- ii. **Inter-segment transfers** - The Company generally accounts for intersegment sales and transfers at appropriate margins.
- iii. **Unallocated items** - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.
- iv. **Segment accounting policies** - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.5.17 Related Party Disclosure

Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind AS 24 have been identified on the basis of information available with the Company.

2.5.18 Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

2.5.19 Government grants

Government grants / subsidies received towards specific property, plant and equipment (PPE) have been deducted from the gross value of the concerned PPE and grant / subsidies received during the year towards revenue expenses have been shown as other operating income in the Statement of Profit and Loss. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. The Company has elected to present grants related to assets as deferred income. Alternatively, an entity may present such grants as a deduction in arriving at the carrying amount of the asset. Grants related to income are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

2.5.20 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. On March 31, 2024, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a. Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2024. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

b. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2024. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

c. Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2024. The Company has evaluated the amendment and there is no impact on its standalone financial statement.



3 Property, plant and equipment

Particulars	Computer equipment	Furniture & fixtures	Office equipment	Plant & Machinery	Total
Gross Block					
Balance as at 1 April 2023	6,639	266	7,678	2,205	16,788
Additions	26,983	12,952	40,173	1,736	81,843
Deletions	-	-	119	1,700	1,819
Balance as at 31 March 2024	33,621	13,217	47,732	2,241	96,812
Balance as at 1 April 2024	33,621	13,217	47,732	2,241	96,812
Additions	3,094	5,875	4,596	17,256	30,820
Deletions	-	-	-	-	-
Balance as at 31 March 2025	36,715	19,092	52,328	19,497	127,632
Accumulated depreciation					
Balance as at 1 April 2023	2,469	35	2,185	199	4,888
Charge for the year	9,406	92	2,840	594	12,932
Depreciation on deletion	-	-	113	224	337
Balance as at 31 March 2024					17,483
Balance as at 1 April 2024	11,876	127	4,911	569	17,483
Charge for the year	13,217	5,594	18,667	2,267	39,746
Depreciation on deletion	-	-	-	-	-
Balance as at 31 March 2025					57,229
Net Block:					
As at 31 March 2024	21,745	13,090	42,821	1,672	79,329
Balance as at 31 March 2025	11,622	13,370	28,750	16,661	70,403

Note -

During the current year, the Company has reclassified certain assets previously presented under "Furniture and Fixtures" to "Office Equipment" within Property, Plant and Equipment. This reclassification pertains to office-related assets that were misclassified in the previous year.

There has been no change in the total carrying amount of Property, Plant and Equipment, nor in the depreciation expense recognized in the Statement of Profit and Loss, as depreciation had been appropriately calculated and charged based on the correct nature and useful life of the assets in accordance with Ind AS 16 – Property, Plant and Equipment.

The reclassification has been made to ensure more accurate presentation and disclosure of asset classes and has no impact on the profit or loss or total equity of the Company for the previous period.

1. Gross Block

Asset Class	2023-24	Adjustment	2024-25
Furniture & fixtures	7,678	-7,413	266
Office equipment	266	7,413	7,678
Total	7,944	-	7,944

2. Accumulated Depreciation

Asset Class	2023-24	Adjustment	2024-25
Furniture & fixtures	2,185	-2,150	35
Office equipment	35	2,150	2,185
Total	2,220	-	2,220



A. Equity Share Capital

Particulars	Balance as at	
	31 March 2025	31 March 2024
Balance at the beginning of the year	698	698
-Addition/(Deletion) during the year	238	-
Balance at the end of the year	936	698

B. Compulsorily Convertible Preference Share

Particulars	Balance as at	
	31 March 2025	31 March 2024
Balance at the beginning of the year	14,925	-
-Addition/(Deletion) during the year	(7,463)	14,925
Balance at the end of the year	7,462	14,925

C. Other Equity

Particulars	Reserves and Surplus					Total equity
	Retained earnings	Other Comprehensive Income	Securities premium	Non-Controlling Interest (NCI)	Share based payment reserve	
Balance as at 1 April 2023	20,554	-847	52,911	-	-	72,618
Add: Additions made during the year	51,339	-	185,080	500	-	236,919
Add: Transfer in	-	-	-	3	-	3
Less: Transfer out	-	-	-	-	-	-
Balance as at 31 March 2024	71,892	-847	237,991	503	-	309,540
Add: Additions made during the year	20,103	-393	-	-	6,119	19,710
Add: Transfer in	-	-	107,216	116	-	107,332
Less: Transfer out	-	-	-	-	-	-
Balance as at 31 March 2025	91,995	-1,240	345,207	619	6,119	442,701

Significant accounting policies
The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for S V C & Co.,
Chartered Accountants
FRN: 0124035



CA. Venuvigneshan,
Partner
Membership No : 215111

for MMRFC Technology Private Limited

Ravi C Vijayaraghavan
Director
DIN - 07811598

Sarvana Kumar G
Director
DIN - 06877397



Place: Bengaluru
Date: 30.05.2025

Place: Bengaluru
Date: 30.05.2025

3A. Right of Use Assets

Particulars	Gross Carrying Amount			Accumulated Amortisation				Net Amount	
	As on 01.04.2024	Addition during the year	Disposal/ adjustment during the year	As on 31.03.2025	As on 01.04.2024	For the year	Disposal/ adjustment during the year	As on 31.03.2025	As on 31.03.2024
Buildings	43,232	47,345	-	90,576	4,499	11,998	-	74,079	38,732
Total	43,232	47,345	-	90,576	4,499	11,998	-	74,079	38,732



4 Intangible assets

Particulars	Amount
Gross block	
Balance as at 1 April 2023	2,364
Additions	-
Deletions	-
Balance as at 31 March 2024	2,364
Balance as at 1 April 2024	2,364
Additions	53,536
Deletions	-
Balance as at 31 March 2025	55,900
Accumulated amortisation	
Balance as at 1 April 2023	1,182
Charge for the year	-
Depreciation on deletion	-
Balance as at 31 March 2024	1,182
Balance as at 1 April 2024	1,182
Charge for the year	7,042
Depreciation on deletion	-
Balance as at 31 March 2025	8,224
Net Block:	
As at 31 March 2024	1,182
Balance as at 31 March 2025	47,676



5 Capital Work in Progress

	Capital work in progress	Total
Gross block		
As at 1 April 2023	-	
Additions during the year	-	
Deletions		
As at 31 March 2024	-	-
As at 1 April 2024	-	
Additions during the year	11,968	11,968
Transfers during the year	-	
As at 31 March 2025	11,968	11,968
Amortisation		
As at 1 April 2024	-	-
Amortisation for the year	-	-
Deletions	-	-
As at 31 March 2023	-	-
Net block		
31 March 2024	-	-
31 March 2025	11,968	11,968

A. Ageing Schedule of CWIP as on 31st March 2025

Particulars	Amount in CWIP for the period			Total
	Within 1 year	1-2 years	2-3 years	
Projects In Progress	11,968	-	-	11,968
Projects Temporarily Suspended	-	-	-	-
Total	11,968	-	-	11,968

Ageing Schedule of CWIP as on 31st March 2024

Projects In Progress	-	-	-	-
Projects Temporarily Suspended	-	-	-	-
Total	-	-	-	-

B. Completion Schedule of CWIP as on 31st March 2025

Particulars	Amount in CWIP for the period			Total
	Within 1 year	1-2 years	2-3 years	
Projects In Progress	-	-	-	-
Projects Temporarily Suspended	-	-	-	-
Total	-	-	-	-

Completion Schedule of CWIP as on 31st March 2024

Projects In Progress	-	-	-	-
Projects Temporarily Suspended	-	-	-	-
Total	-	-	-	-



5A Capital Work in Progress - Intangible assets under development

	Intangible assets under development	Total
Gross block		
As at 1 April 2023	11,094	11,094
Additions during the year	47,808	47,808
Deletions		
As at 31 March 2024	58,902	58,902
As at 1 April 2024	58,902	58,902
Additions during the year	83,527	83,527
Transfers during the year	53,536	53,536
As at 31 March 2025	88,893	88,893
Amortisation		
As at 1 April 2024	-	-
Amortisation for the year	-	-
Deletions	-	-
As at 31 March 2023	-	-
Net block		
31 March 2024	58,902	58,902
31 March 2025	88,893	88,893

A. Ageing Schedule of Intangible Assets Under Development as on 31st March 2025

Particulars	Amount in CWIP for the period				Total
	Within 1 year	1-2 years	2-3 years	More than 3 years	
Projects In Progress	77,799	-	11,094	-	88,893
Projects Temporarily Suspended	-	-	-	-	-
Total	77,799	-	11,094	-	88,893

A. Ageing Schedule of Intangible Assets Under Development as on 31st March 2024

Projects In Progress	47,808	-	11,094	-	58,902
Projects Temporarily Suspended	-	-	-	-	-
Total	47,808	-	-	-	58,902

B. Completion Schedule of Intangible Assets Under Development as on 31st March 2025

Particulars	Amount in CWIP for the period			Total
	Within 1 year	1-2 years	More than 3 years	
Projects In Progress	5,728	47,808	-	53,536
Projects Temporarily Suspended	-	-	-	-
Total	5,728	47,808	-	53,536

Completion Schedule of Intangible Assets Under Development as on 31st March 2024

Projects In Progress	-	-	-	-
Projects Temporarily Suspended	-	-	-	-
Total	-	-	-	-



Note:

The Company has been engaged in the in-house development of certain intangible assets, primarily software platforms and technology tools, which were under active development over a period of two years. These assets have been disclosed under "Intangible Assets Under Development" in the financial statements.

No further development expenditure has been incurred on these projects during the current and previous financial year. However, management continues to assess these projects for indicators of impairment in accordance with Ind AS 36 – Impairment of Assets.

Based on a detailed internal evaluation, management believes that the projects retain the potential to generate future economic benefits and development is expected to resume in the near term. Accordingly, no impairment loss has been recognized as at the reporting date.

The Company will continue to monitor the status of these assets and reassess their recoverability periodically as required by applicable Ind AS.



6 Investments

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted		
Investment in equity instrument - at cost	-	-
M/s. Vcreatech Labs Private Limited	-	-
Equity shares of face value of ₹ 1 each		
51,00,000 equity shares of Rs. 1/- each fully paid up		
(51,00,000 equity shares previous year)		
Total	-	-
Aggregate Book value of unquoted Financial Statement		

7 Other financial assets (non current)

Particulars	As at 31 March 2025	As at 31 March 2024
Rental deposits	12,675	6,320
Unsecured and Considered Good	-	-
Fixed deposits(Bank Deposits with original maturity of more than 12 months)	-	61,304
Security deposit	1,307	79
	13,982	67,704

8 Deferred tax Asset

Particulars	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment	3,645	303
Gratuity & Leave Encashment	1,014	635
Deferred tax	4,660	938

9 Inventory

Particulars	As at 31 March 2025	As at 31 March 2024
(At lower of cost and net realisable value)	-	-
Stock-in-hand	31,147	31,941
Work-in-progress	23,454	-
	54,601	31,941

10 Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	-	-
Trade receivables	147,334	108,983
Unsecured, considered doubtful	-	-
Trade receivables	-	-
Less: Loss allowance	-	-
	147,334	108,983

The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 42.



Note:

The trade receivables ageing schedule for the years ended as on 31 March 2025 is as follows :

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	< 6 months	6 months to 1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables							
(i) Considered good	41,337	51,649	40,821	13,527	-	-	1,47,334
(ii) Significant increase in credit risk	-	-	-	-	-	-	
(iii) Doubtful	-	-	-	-	-	-	
Less: Loss allowance	-	-	-	-	-	-	
Disputed trade receivables							
(i) Considered good	-	-	-	-	-	-	
(ii) Significant increase in credit risk	-	-	-	-	-	-	
(iii) Doubtful	-	-	-	-	-	-	
Total	41,337	51,649	40,821	13,527	-	-	1,47,334

The trade receivables ageing schedule for the years ended as on 31 March 2024 is as follows :

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	< 6 months	6 months to 1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables							
(i) Considered good	-	90,324	15,665	-	-	-	
(ii) Significant increase in credit risk	-	-	-	-	-	-	
(iii) Doubtful	-	-	-	-	-	-	
Disputed trade receivables							
(i) Considered good	-	-	-	-	-	-	
(ii) Significant increase in credit risk	-	-	-	-	-	-	
(iii) Doubtful	-	-	-	-	-	-	
Total	-	90,324	15,665	-	-	-	-

11(a) Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash In Hand	-	-
Balances with banks	954	-
- in current accounts	81,086	11,621
Total	82,040	11,621

Particulars	As at 31 March 2025	As at 31 March 2024
Bank balances Other than cash and cash equivalents	-	-
Fixed deposit accounts with banks	17,598	2,498
Total	17,598	2,498

Note: There are no repatriation restriction with regards to cash and cash equivalents as at 31 March 2025.

12 Loans

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	-	-
Loans to employees (Refer note below (a) below)	14,022	-
Total	14,022	-

Note:

Loans to employees (Refer note below (a) below)

13 Other financial assets (current)

Particulars	As at 31 March 2025	As at 31 March 2024
Other receivable	27,428	3,173
Gratuity Fund	2,280	-
Total	29,708	3,173



14 Other current assets

Particulars	As at	As at
	31 March 2025	31 March 2024
Balance with revenue authorities	23,117	9,395
Prepaid expense	7,134	307
Advance to suppliers	1,499	3,442
Accrued Interest	571	412
Advances paid to capital vendors	-	-
	32,321	13,556



15 Share Capital

(a) Particulars	As at	As at
	31 March 2025	31 March 2024
Authorised share capital		
25,00,000 Equity Shares of ₹1 each	2,500	1,000
2,23,870 Compulsorily Convertible Preference Share of ₹100 each	22,387	16,425
	24,887	17,425
Issued, subscribed and paid up		
9,35,032 Equity shares (As at 31st March 2024 : 6,97,519 Shares) of ₹1 each	935	698
Series A1 Compulsory convertible Preference (As at 31st March 2024 : 37,310 Shares) of ₹100 each	-	3,731
Series A2 Compulsory convertible Preference (As at 31st March 2024 : 55,970 Shares3) of ₹100 each	-	5,597
Series A3 Compulsory convertible Preference (As at 31st March 2024 : 55,970 Shares) of ₹100 each	-	5,597
37,310/- Series A4 Compulsory convertible Preference (As at 31st March 2024 : Nil Shares) of ₹100 each	3,731	-
37,310/- Series A5 Compulsory convertible Preference (As at 31st March 2024 : Nil Shares) of ₹100 each	3,731	-
	8,397	15,623

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
i) Equity Shares of ₹1 each				
At the Beginning of the period	697,519	698	697,502	698
Add : Issued during the period			17	0
Add : Sweat equity shares issued	-	-	-	-
Add : On conversion of CCPS *	237,513	238		
Outstanding at the end of the period	935,032	936	697,519	698

* 1. During the year, 1,49,250 CCPS, having an aggregate carrying value of Rs. 1,49,25,000, were compulsorily converted into Equity Shares.

2. Equity Shares were issued based on the conversion specified in the CCPS agreement, resulting in Rs. 2,37,513 (2,37,513 shares of Re. 1 each)being credited to Equity Share Capital and Rs. 1,46,87,487 being credited to Securities Premium.

ii) **Compulsorily Convertible Preference Share of ₹100 each**

	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
At the Beginning of the period	149,250	14,925	-	-
Add : Issued during the period	74,620	7,462	149,250	14,925
Less: On conversion of CCPS *	(149,250)	(14,925)		
Outstanding at the end of the period	74,620	7,462	149,250	14,925

* 1. Represents the 1,49,250 of Rs 100 each CCPS converted into Equity Shares during the year



(c) Shareholders holding more than 5% equity shares held at the beginning and at the end of the year is as given below:-

i) **Equity shares of ₹1 each**

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	% of holding	No of shares (actual nos)	% of holding	No of shares (actual nos)
Saravana Kumar G	21.39%	200,000	28.67%	200,000
Mona Saravana Kumar	10.69%	100,000	14.34%	100,000
Sahana Rakesh	10.69%	100,000	14.34%	100,000
Ravi Commandur Vijayaraghavan	10.69%	100,000	14.34%	100,000
Ganesan Thaigarajan	10.69%	100,000	14.34%	100,000
Rakesh Sharma	4.19%	39,169	5.62%	39,169
Pradip Kumar	5.35%	50,000	7.17%	50,000
Sansera Engineering Limited	25.40%	237,530	0.00%	-
Total	99.11%	926,699	98.80%	689,169

ii) **Compulsorily Convertible Preference Share of ₹100 each**

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	% of holding	No of shares (actual nos)	% of holding	No of shares (actual nos)
Sansera Engineering Limited	100%	74,620	100%	149,250
Total	100%	74,620	100%	149,250

(d) **Shareholding of Promoters**

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	% of holding	No of shares (actual nos)	% of holding	No of shares (actual nos)
Saravana Kumar G	21.39%	200,000	28.67%	200,000
Mona Saravana Kumar	10.69%	100,000	14.34%	100,000
Total	32.08%	300,000	43.01%	300,000

(e) **Rights, preferences and restrictions attached to shares including restrictions on the distribution of dividends and the repayment of capital:**

i) **Equity shares of ₹1 each**

The company has only 1 class of Equity shares having par value of ₹1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company has not declared dividend in the current year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) **Compulsorily Convertible Preference Share of ₹100 each**

Compulsorily Convertible Preference Shares ('CCPS') of face value ₹100 each were issued pursuant to the share subscription and share holders agreement ('SHA') between the Company and strategic investor. Each CCPS will automatically be converted into equity shares upon earlier of 20 year period or completion of qualified public offering. Each CCPS shall be converted into 1 (one) Equity Share of the Company upon expiry of the time as specified in SHA. Preference shareholders have rights similar to an Equity shareholder of the Company.

Compulsorily Convertible Preference share shall carry the right to receive a preferential dividend equal to 0.001% on the per share price of respective Series. Such dividend shall be cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be cumulative and paid in full prior to and in preference to any dividend or distribution payable on shares of any other class or series in the same financial year.

Compulsorily convertible preference shares on liquidation shall be entitled to be paid prior and in preference to any distribution to equity shares or shares of any other class or series, a preferential amount equal to 100% of the adjusted subscription price per share along with all declared or accrued but unpaid dividends thereon, termed as liquidation preference.

Each shareholder of Preference shares be entitled to vote as a holder of one equity share.

(f) **Buy back of shares, shares issued for consideration other than cash or shares allotted by way of bonus shares**

There have been no buyback of shares. 31,108 sweat equity shares were issued for consideration other than cash to Mr. Pradip Kumar during the year ending 31 March 2023.



16 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Securities premium		
Balance at the beginning of the year	237,991	52,911
Add: Received from shares issued during the year	107,216	185,080
Balance at the end of the year (A)	345,207	237,991
Share based payment reserve		
Balance at the beginning of the year	-	-
Add: Expenses for the year	6,119	-
Balance at the end of the year (d)	6,119	-
Retained earnings		
Balance at the beginning of the year	71,892	20,554
Add: Profits for the year	20,103	51,339
Ind AS adjustments made to retained earnings	-	-
Balance at the end of the year (B)	91,995	71,892
Other Comprehensive Income		
Balance at the beginning of the year	-847	-
Add: Profits for the year	-393	-847
Ind AS adjustments made to retained earnings	-	-
Balance at the end of the year (C)	-1,240	-847
Non-Controlling Interest (NCI)		
Share Capital	500	500
Reserves & Surplus		
Opening Balance	3	2
Profit for the year	116	1
Balance at the end of the year (D)	619	503
	442,701	309,540

Nature and purpose of reserves:**i Securities Premium**

The premium paid by shareholder for purchases of shares of the Company is recognised under the head securities premium. This reserve can be utilised only for specific purposes as provided in Section 52 of the Companies Act, 2013.

ii Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the statement of profit and loss to retained earnings.

iii Share based payment reserve

The Share-Based Payment Reserve represents the cumulative expense recognized in the Statement of Profit and Loss for equity-settled share-based payment transactions in accordance with Ind AS 102 – Share-Based Payment. This reserve is created over the vesting period of employee stock options granted under the Company's Employee Stock Option Scheme.

The amount recognized in this reserve corresponds to the fair value of the options granted, as determined on the grant date, and is recognized as an employee compensation expense over the vesting period. Upon exercise of the options by employees, the corresponding amount is transferred from this reserve to the Securities Premium Account or other appropriate component of equity, as per the terms of the scheme.



17 Non-current Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Secured loans		
- From Banks	88,084	-
Unsecured loans		
- From Banks	367	288
	88,451	288

17A Non Current Lease Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease Liabilities (Refer Note 38)	60,964	33,637
	60,964	33,637

Current Lease Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Lease Liabilities (Refer Note 38)	15,380	6,724
	15,380	6,724

18 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits	-	-
- Leave Encashment	303	407
- Gratuity	3,671	2,020
	3,974	2,427

19 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Dues to micro and small enterprises	79	239
Dues to other than micro and small enterprises	7,263	13,045
	7,342	13,284

Current

Non-current

The trade payables ageing schedule for the years ended as on 31 March 2025 is as follows :

Particulars	Not due	Ageing in years				Total
Outstanding for the following period from due date of payments		< 1	1-2	2-3	> 3	
Undisputed						
- MSME	-	79		-	-	-
- Others	-	7,263		-	-	-
Disputed						
- MSME	-	-		-	-	-
- Others	-	-		-	-	-
Total	-	7,342		-	-	-

The trade payables ageing schedule for the years ended as on 31 March 2024 is as follows :

Particulars	Not due	Ageing in years				Total
Outstanding for the following period from due date of payments		< 1	1-2	2-3	> 3	
Undisputed						
- MSME	-	239		-	-	-
- Others	-	13,003		-	-	-
Disputed						
- MSME	-	-		-	-	-
- Others	-	-		-	-	-
Total	-	13,242		-	-	-



Details relating to dues to micro and small enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act), are based on such parties having been identified by the Management. According to the Management, the Company has paid/provided for interest where the payment has not been made within the time stipulated under the MSME Act, and the impact of additional interest, if any, that may be payable as per the provisions of the Act is not expected to be material.

The following table provides the details:

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount remaining unpaid but within due date as per the MSMED 2006	79	-
Interest due thereon remaining unpaid	-	-
Interest paid by the Company in terms of Section 16 of MSMED 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006	-	-
Interest accrued and remaining unpaid as at the year end	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED 2006	-	-
	-	-

20 Current Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Secured loans (current)	-	-
- From Banks	40,822	4,000
	-	-
Unsecured loans (current)	-	-
- From Related parties	677	14,077
- From Banks	-	5,715
- From NBFC	-	86
	41,499	23,878

Note:

Secured Loan from Bank

During the year, the Company has availed a term loan of ₹99,800 thousand from ICICI Bank. The loan carries a fixed interest rate of 8.80% p.a. and is repayable in 60 equal monthly installments commencing from November 30, 2025, through November 30, 2029.

Primary Security:

Exclusive charge by way of hypothecation on current assets and moveable fixed assets (Present and Future) of the borrower.

Loan from related parties:

Borrowings from related parties are repayable on demand and carry no interest rate.

Loan from Banks:

The unsecured loan from Deutsche Bank, carrying an interest rate of 16% p.a., was fully repaid as per its schedule during April 2025.

21 Other current financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Payable to employees	6,324	7,426
	6,324	7,426

22 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues	2,822	990
	2,822	990



23 Provisions

Particulars	As at	As at
	31 March 2025	31 March 2024
Provision for expenses	396	-
Provision for Audit fees	350	261
Provision for employee benefits	-	-
- Leave Encashment	66	84
- Gratuity	169	84
	982	429

24 Current tax liabilities (net)

Particulars	As at	As at
	31 March 2025	31 March 2024
Provision for tax (net of taxes paid in advance)	10,448	4,313
	10,448	4,313



25 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Product Development Fees - Local	105,729	117,252
Product Development Fees - Export	52,711	34,395
	158,440	151,646

a Trade receivables and Contract Balances

The timing of revenue recognition, billings, and cash collections results in receivables, unbilled revenue, and unearned revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms—either at periodic intervals or upon the achievement of contractual milestones.

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

Trade receivables*

Advance from customers (contract liabilities)**

*Trade receivables are non-interest-bearing and generally have a credit period of 30 to 90 days. The Company's receivables represent unconditional rights to consideration.

**Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products.

b Performance Obligation

The Company has concluded that each contract to develop and deliver its products comprises two distinct performance obligations: (a) the development services to design and build the product in accordance with customer-specified requirements, and (b) the delivery of the completed product to the customer once development is complete and control transfers under the terms of the contract. The product-delivery performance obligation is satisfied at a point in time—specifically, when the finished product is handed over or shipped and the customer obtains legal title and control.

c Information about Major Customers

Following customers represents 10% or more of the company's total revenue during the year ended 31st March 2025 and 31st March 2024.

Customer Name	Mar-25	
	Value	%age
Advance systems Lab (DRDO)	24,200	15.80%
Bharath Electronics Limited	20,904	13.65%
Life Signals INC	42,067	27.47%
Research Centre (IMRAT) - DRDO	31,715	20.71%

26 Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on bank account	-	-
Interest on FD	1,341	1,454
Interest Income on Security Deposits	613	211
Rental income	-	2
Forex Gain	4,585	-
Interest on IT refund	3	39
Product development grant(Refer Note 50)	31,981	-
Gain on Sale of Fixed Assets	90	-
Liability No Longer Required	1,445	-
Miscellaneous income	-	587
	40,058	2,293

27 Cost of materials consumed

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventory of materials at the beginning of the year	31,941	30,157
Add: Purchases	40,880	18,524
Less: Closing stock of materials	-31,147	-31,941
	41,674	16,740



		For the year ended 31 March 2025	For the year ended 31 March 2024
28 Purchases of Stock-in-Trade			
Purchase of Finished goods		-	-
		-	-
		For the year ended 31 March 2025	For the year ended 31 March 2024
29 Changes in inventories			
Particulars			
Opening stock of finished goods		-	-
Less: Closing stock of finished goods		-	-
Add: Opening stock of Work-in-progress		-	-
Less: Closing stock of Work-in-progress		-23,454	-
		(23,454)	-
30 Employee benefit expenses			
Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages, including bonus		26,086	23,268
Gratuity expenses (Refer Note 47)		1,135	700
Leave encashment (Refer Note 47)		-121	387
Staff welfare expense		3,968	1,670
Employee Stock Compensation Expenses (Refer Note 52)		6,119	-
Contribution to provident and other funds		1,263	662
		38,449	26,687
31 Depreciation and amortisation			
Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
Amortisation of ROUA (Refer Note 38)		11,313	4,240
Amortisation of Security Deposits (Refer Note 38)		685	259
Depreciation and amortization on property, plant & equipment and intangible assets		46,788	12,932
		58,786	17,431
32 Finance cost			
Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on lease liabilities (Refer Note 38)		4,091	1,627
Bank charges		3,148	510
Interest expense		4,403	2,477
		11,642	4,614
33 Other expense			
Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
Repair and maintenance		4,789	1,021
Payment to auditors		-	-
- Statutory Audit		450	280
Rent		725	595
Postage and Courier		31	39
Business promotion expense		560	367
BG Invocation expense		-	738
Insurance		156	-
Legal and Professional fees		11,055	8,615
Travelling & Conveyance		2,657	1,324
Computers Maintenance		359	-
Software expense		1,257	1,072
Communication charges		1,180	625
Printing and Stationery		356	114
Electricity charges		1,735	226
Rates and Taxes		721	632
Forex losses		-	252
Forex Processing Charges		-	4
Corporate Social Responsibility Expenses(Refer Note 51)		516	-
Clearing & Forwarding Charges		3,948	3,988
Office expense		-	85
Miscellaneous expense		-	125
Bad Debts written off		12,524	-
Total		43,019	20,101



34 Tax expense

A. Key components of income tax expense for the year ended 31 March, 2025 and 31 March, 2024 are as follow:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current year tax	11,752	17,531
Deferred tax	-3,589	-507
Total tax expense reported in Statement of Profit and Loss	8,163	17,025

A Deferred tax assets (net)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax assets (net)	4,660	938
Total		

B Reconciliation of deferred tax assets /(liabilities)

Particulars	Opening balance	SPL	Recognised in OCI	Closing balance
31 March 2025				
Tax effect of items constituting deferred tax assets /(liabilities)				
Property, plant and equipment and financial assets	-96	3,171	-	3,075
Right-of-use assets and lease liabilities (net)	399	171	-	570
Employee benefits and other provisions	635	247	-132	1,014
Others				
Net deferred tax asset / (liabilities)	938	3,589	-132	4,659
31 March 2024				
Tax effect of items constituting deferred tax assets /(liabilities)				
Property, plant and equipment and financial assets	295.00	-391	-	-96.02
Right-of-use assets and lease liabilities (net)		399	-	398.76
Employee benefits and other provisions	136.00	499	-	635.26
Others				
Net deferred tax asset / (liabilities)	431.00	507.00		938.00

C Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit/ (loss) before tax	28,382	68,365
Enacted tax rate	25.17%	24.48%
Tax using the Company's domestic tax rate	7,144	16,737
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non deductible expenses	3,307	481
Deductible expenses	362	(726)
Others	940	68
Income Tax Expense	11,752	16,559

b. No tax has been recognised directly in equity.



35 Additional information

Loans and advances in the nature of loan granted to promoters, directors, KMPs and related parties

Particulars	As at 31 March 2025	As at 31 March 2024
Promoter	14,000	-
Directors	-	-
Key managerial personnel	-	-
Related parties	-	-

36 Contingent liabilities and commitments

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The company has provided Performance Bank Guarantee to DRDO of Rs.76,75,011/-. No provision has been made against the same as there is no requirement against the same.

37 Earnings per share (EPS)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit/ (loss) after taxation as per statement of profit and loss	19,826	50,494
Number of shares at the beginning of the year	697,519	697,519
Shares issued during the period	237,513	3
Weighted average number of shares outstanding during the year	793,175	697,522
Diluted Weighted average number of shares outstanding during the year	877,505	776,971
Earnings per equity share: (face value of ₹1 each)		
- Basic (EPS in actual rupees)	25.00	72.39
- Diluted (EPS in actual rupees)	22.59	64.99

38 Leases

a) Nature of Leasing Activities

The company has entered into lease arrangements for office premise.

b) Amount recognized in Statement of Profit & Loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Short Term Lease Expenses	725.00	595.09

c) Reconciliation of Lease Liability

Opening Balance of Lease Liability	40,361	-
Additions during the year	44,849	40,677
Interest Expense for the year	4,091	1,627
Payment of lease liabilities	12,957	1,943
Closing Balance of Lease Liability	76,344	40,361

d) Bifurcation of Lease Liability

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current lease	15,380	6,724
Non-current	60,964	33,637
Total	76,344	40,361



e) Future Minimum Lease Payments

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	-	-
One to five years	89,824	102,781
More than five	-	-
Total	89,824	102,781

39 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available.

Considering the definition of reportable business segments and reportable geographical segments contained in Indian Accounting Standard (Ind AS) 108, 'Operating Segments', the management is of the opinion that there is only one reportable business and geographical segment, the results of which are disclosed in these condensed financial statements.



40 Related party disclosures

A. Subsidiary Companies

Vcreatech Labs Private Ltd

B Associated Companies

Sansera Engineering Limited

C Key management personnel (KMP)

Mr. Saravana Kumar G (Director)

Mr. Ravi C. Vijayaraghavan (Director)

D Related parties with whom transactions have taken place

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Expense Reimbursement		
Saravana Kumar	395	454
Ravi C. Vijayaraghavan	5,801	7,499
Remuneration - Salary and perquisites		
Saravana Kumar	7,138	6,172
Ravi C. Vijayaraghavan	7,138	6,172
Loan Given		
Saravana Kumar	14,000	-
Loan Repaid		
Ravi C. Vijayaraghavan	5,900	
Interest on loan		
Ravi C. Vijayaraghavan	203	813
Investment in Subsidiary		
Vcreatech Labs Private Ltd	-	-
Investment in the shares		
Sansera Engineering Limited		
Equity Shares	238	0
CCPS	7,462	14,925

D. The following is a summary of balances receivable from and payable to related parties:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salary payable		
Saravana Kumar	431	1,407
Ravi C. Vijayaraghavan	411	1,407
Reimbursement payable		
Saravana Kumar	385	582
Ravi C. Vijayaraghavan	1,277	1,390
Loans and advances		
Saravana Kumar	14,000	-
Loan payable		
Saravana Kumar	677	677
Ravi C. Vijayaraghavan	-	5,900
Share capital		
Sansera Engineering Limited		
Equity Shares	238	0
CCPS	7,462	14,925



41 Financial instruments - fair value measurement
(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of the financial assets and liabilities

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets measured at amortized cost				
Investments	-	-	-	-
Loans and advances	-	-	-	-
Trade Receivables	147,334	147,334	106,464	106,464
Cash and cash equivalents	82,040	82,040	11,621	11,621
Bank balances Other than cash and cash equivalents	17,598	17,598	2,498	2,498
Other financial assets	43,729	43,729	70,877	70,877
Total	290,702	290,702	191,460	191,460
Financial liabilities measured at amortized cost				
Borrowings	129,950	129,950	24,166	24,166
Trade payables	7,342	7,342	10,765	10,765
Lease liabilities	76,344	76,344	40,361	40,361
Other financial liabilities	6,324	6,324	7,426	7,426
Total	219,960	219,960	82,718	82,718

For all of the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amount approximates the fair value.

(b) Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments (including bonds) which are traded in 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 maximise 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.

(c) Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2025.



(d) Determination of fair values

Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- i) The fair value of mutual funds are based on price quotations at reporting date.
- ii) The fair value of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- iii) The fair value of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cash flows discounted at the current market rate.

42 Financial instruments - risk management

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

- credit risk (refer note (b) below)
- liquidity risk (refer note (c) below)
- market risk (refer note (d) below).

(a) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans to related parties and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The financial assets of the Company have a very low risk of default and hence the credit risk is trivial.

(i) Impairment of Trade Receivables

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, arising principally from its trade receivables. The Company has a concentration of credit risk as a significant portion of its revenue is derived from a limited number of customers. For the year ended March 31, 2025, four major customers—Advance Systems Lab (DRDO), Bharath Electronics Limited, Life Signals INC, and Research Centre (IMRAT) - DRDO—accounted for approximately 78% of total revenue. Management monitors its exposure to these key customers on an ongoing basis.

Ind AS 109 requires the Company to measure a loss allowance for trade receivables at an amount equal to lifetime Expected Credit Losses (ECL).

However, for the year ended March 31, 2025, the Company has not made a provision based on the ECL model. Instead, management's policy is to assess receivables on an individual basis and write off balances when they are determined to be uncollectible. As a result of this policy, the loss allowance recognized on the balance sheet is nil.

During the year, bad debts amounting to ₹12,524 thousand were written off in line with this policy and have been recognized in 'Other expenses' in the Statement of Profit and Loss.

The accounting practice of directly writing off receivables as they become uncollectible, without providing for a lifetime expected credit loss allowance at the reporting date, represents a departure from the measurement principles required by Ind AS 109.

Write-off Policy

evidence indicating that the customer is experiencing significant financial difficulty, or when all avenues for recovery have been exhausted. Any amounts subsequently recovered after being written off are recognized in the Statement of Profit and Loss. Write-offs are accounted for by reducing the loss allowance previously recognized against trade receivables.



(ii) Cash and cash equivalents

The credit risk for cash and cash equivalents and fixed deposits given as margin money/ security with lender is considered negligible, since counterparties are reputable banks with high quality external credit ratings. The fixed deposits maintained as margin money are with same bank who has provided credit facilities for the Company which minimises the credit risk towards these deposits.

(iii) Loans and advances

The Company has loans and advances of ₹ 14022 thousand at 31 March 2025 (31 March 2024: ₹Nil). These loans and advances are mainly given to the employees of the Company to the group Companies . The Company considers that its loans and advances have low credit risk based on the fact that it is receivable from employees.

(iv) Other financial assets

The Company has other financial assets of thousand at 31 March 2025 ₹ 43,590 thousand (31 March 2024: ₹ 73,220 thousand). The Company considers that its other financial assets have low credit risk based on its

(v) Investments

The Company has investments of Nil as at 31 March 2025 (31 March 2024: Nil). The Company considers that its investments have low credit risk since the investments are made in group companies.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

i) Financing arrangement

The Company had no undrawn borrowing facilities at the end of the reporting period.

ii) Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

As at 31 March 2025	Carrying amount	Total	0-12 months	1-2 years
Borrowings	129,950	129,950	129,950	-
Trade payables	7,342	7,342	7,342	-
Lease liabilities	76,344	76,344	76,344	-
Other financial liabilities	6,324	6,324	6,324	-
	219,960	219,960	219,960	-

As at 31 March 2024	Carrying amount	Total	0-12 months	1-2 years
Borrowings	24,166	24,166	14,446	9,720
Trade payables	10,765	10,765	10,765	-
Lease liabilities	40,361	40,361	40,361	-
Other financial liabilities	7,426	7,426	7,426	-
	82,718	82,718	72,998	9,720

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

Majority of the transactions entered into the Company are denominated in ₹ and foreign currency transaction for imports are very minimal. Accordingly, the Company does not have any currency risk.

ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have exposure to the risk of changes in market interest rates because it has obtained borrowings with fixed interest.



43 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital structure mainly constitutes equity. The Company's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, including interest-bearing loans and borrowings less cash and cash equivalents and other bank balances. Adjusted equity comprises all components of equity.

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Total liabilities	238,186	90,877
Less: Cash and cash equivalents	(82,040)	(11,621)
Adjusted net debt	156,146	79,256
Total equity	451,098	325,163
Adjusted equity	451,098	325,163
Adjusted net debt to adjusted equity ratio	0.35	0.24

44 CIF Value of Imports

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Equipment	11,968	2,709
Total	11,968	2,709

45 Earnings in Foreign Currency

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from rendering of Consultancy services	52,711	77,537
Total	52,711	77,537

46 Expenditure in Foreign Currency

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchases of Software, License & consumables, consultancy services	58,633	25,541
Total	58,633	25,541



47 Employee benefits

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

(B) Table showing Reconciliation of Defined Benefit Obligation (DBO)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2022
Present value of the obligation at the beginning of the period	2,104	556.65	1,056
Interest cost	152	41.86	73
Current service cost	879	658.64	102
Past service cost	-	-	-
Benefits paid (if any)	526	846.51	(744)
Actuarial gains	-	-	-
Transfer In/ (Out)	-	-	-
Present value of the obligation at the end of the period	3,661	2,104	487

Provision for employee benefit expenses has been reversed by the Company as the employees were transferred to it's subsidiary companies during the financial year.

Table showing Reconciliation of Fair Value of Plan Assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2022
Fair Value of Plan Assets at start of the year	-	-	-
Contributions by Employer	2,104	-	-
Benefits Paid	-	-	-
Interest Income on Plan Assets	76	-	-
Re-measurements	-	-	-
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-	-
Transfer In/ (Out)	-	-	-
Fair Value of Plan Assets at end of the year	2,180	-	-

(C) Table showing Expenses recognised in the Profit and Loss Account

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Current Service Cost	879	659	179
Net Interest on net defined benefit liability/ (asset)	76	42	29
Employer Expenses	955	700	209



Table showing Movement in Other Comprehensive Income

Particulars	For the year ended		For the year ended	
	31 March 2025	31 March 2024	31 March 2024	31 March 2023
Balance at start of year (Loss)/ Gain	1,391	545	545	487
Re-measurements on DBO				-
-Remeasurements - changes in demographic assumptions				-
-Remeasurements - changes in financial assumptions	79	63	63	1
-Remeasurements due to plan experience	446	783	783	57
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)				-
Balance at end of year (Loss)/ Gain	1,917	1,391	1,391	545

Table showing Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	As at		As at	
	31 March 2025	31 March 2024	31 March 2024	1 April 2022
Present value of DBO	3,661	2,104	2,104	487
Fair Value of Plan Assets	2,180	-	-	-
Liability/ (Asset) recognised in Balance Sheet	1,481	2,104	2,104	487

Table showing Percentage break-down of Total Plan Assets

Particulars	As at		As at	
	31 March 2025	31 March 2024	31 March 2024	1 April 2022
Investment Funds with Insurance Company				
Of which, Unit Linked	2,104	-	-	-
Of which, Traditional/ Non-Unit Linked	-	-	-	-
Total	2,104	-	-	-

(D) Defined benefit obligation

i. Table showing Actuarial Assumptions

Particulars	As at		As at	
	31 March 2025	31 March 2024	31 March 2024	1 April 2022
Salary Growth Rate	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Discount Rate	7.03%	7.24%	7.24%	7.53%
Employee turnover rates	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Mortality rates	100%	100%	100%	IALM 2012-14
* IALM: India Assured Lives Mortality modified Ult.				

ii. Table showing Movement in Sensitivity Analysis

Particulars	As at		As at	
	31 March 2025	31 March 2025	31 March 2024	31 March 2024
	Rate of sensitivity	Increases	Decreases	Decreases
Salary Growth Rate	1%	3,923	3,403	1,879
Discount Rate	1%	3,306	4,076	2,354
Withdrawal Rate	1%	3,655	3,664	2,116
Mortality rate	10%	3,662	3,660	2,103
		14,545	14,802	8,453



Particulars	As at	
	31 March 2024	As at
Rate of sensitivity	Increases	Decreases
Salary Growth Rate	1%	2,363
Discount Rate	1%	1,879
Attrition rate	1%	1,890
Mortality rate	10%	2,091
		2,116
		2,103
		8,448
		1,690

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant.

Table showing Movement in Surplus/ (Deficit)

Particulars	As at	
	31 March 2025	31 March 2024
Surplus/ (Deficit) at start of year	-	(638)
Transfer (In)/ Out	-	-
Movement during the period	-	-
Current Service Cost	-	-
Net Interest on net DBO	-	(659)
Re-measurements Gain/ (Loss)	-	(42)
Contributions/ Benefits Paid	-	847
Obligations reversed due to transfer of employees to Subsidiary Companies	-	-
Surplus/ (Deficit) at end of year	-	638
		(411)

Compensated absences

The actuarial valuation has been carried out using projected unit credit method in respect of compensated absences based on the assumption as given above in respect of gratuity

Particulars	As at	
	31 March 2025	31 March 2024
Current	66.36	84.18
Non-current	303.38	407.00

Liability recognized as on the balance sheet date

The discount rate for defined benefit plan and other long term benefits is based on the prevailing market yields of Indian Government securities as at the balance sheet for the estimated term of obligations. The factors considered in actuarial valuation includes estimates of future salary increase, inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market



48 Particulars of Consolidation

The particulars of Subsidiary Companies / Associates, which are included in consolidation and the Parent Company's holding therein, are as under

Name	Relation	Country of Incorporation	Holding % as on 31st Mar'25	Holding % as on 31st Mar'24	Holding % as on 31st Mar'23
Vcreatech Labs Private Limited		India	91.08	91.08	85.72

48A Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiary Companies (Form AOC-1)

Name of the Subsidiary	Vcreatech Labs Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of	INR
Share Capital	5,600
Reserve & Surplus	1,328
Total Assets	8,922
Total Liabilities (Including Share Capital and Reserves & Surplus)	8,922
Turnover	13,621
Profit/ (loss) before taxation	1,757
Provision for taxation	458
Profit/ (loss) after taxation	1,299
Proposed Dividend	Nil
Percentage of Share holding	91

48B Additional Information, As Required Under Schedule III To The Companies Act, 2013 Of Enterprises Consolidated As Subsidiary/ Associates

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities	Share in Profit or Loss	Amount (Rs.)	Share in other Comprehensive Income	Amount (Rs.)
Parent					
MMRFIC Technology Private Limited	98%	93%	18,526	100%	-1,240
Subsidiary					
Vcreatech Labs Private Limited	2%	6.55%	1,299		
Subtotal	100%	100%	19,826	100%	-1,240
Elimination on account of consolidation	0%				
	100%	100%	19,826	100%	-1,240

49 Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiary Companies (Form AOC-1)

Name of the Subsidiary	Vcreatech Labs Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of	Reporting Currency- INR
Share Capital	5,600
Reserve & Surplus	1,328
Total Assets	8,922
Total Liabilities (Including Share Capital and Reserves & Surplus)	8,922
Investments	Nil
Turnover	13,621
Profit/ (loss) before taxation	1,757
Provision for taxation	458
Profit/ (loss) after taxation	1,299
Proposed Dividend	Nil
Percentage of Share holding	91



50 Government Grant Recognised during the year

During the year the Company recognized government grant income related to a specific product development project undertaken by the Company. The grant is intended to partially compensate the Company for prototyping this product towards production .

The total grant income recognized in the Statement of Profit and Loss for the year ended 31.03.2025 is Rs. 31981.436

The following table summarizes the details of the government grant recognized:

Nature of Grant	Grant Awarding Body	Total Potential Grant Amount	Amount Received during Year	Amount Receivable at Year-End	Amount Recognised in P&L (Current Year)	P&L Presentation Method	Conditions
Product Development Grant	Defence Innovation Organisation , Department of Defence	31,981	4,554	27,428	31,981	Gross	Fulfillment of specific contractual project milestone (for Rs. 27427.84receivable)

Note:-

The government grant recognized during the year includes an amount of Rs. 27427.84 which is contractually receivable in the subsequent financial year .

Management has assessed the project's progress against the contractual milestones and has completed the corresponding stagewise milestone based on current stage of development and technical progress and are confident to receive the pending grant amount. As per the grant agreement, non-fulfillment of these conditions could trigger a requirement to repay the grant funds received. However, management considers the possibility of non-fulfillment to be remote.



51 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting education, promoting gender equality by empowering women, healthcare, environment sustainability, art and culture, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

Particulars	As at	
	31 March 2025	31/Mar/2024
(a) Amount required to be spent by the company during the year	516.07	
(b) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (b)(i) above	516.07	
(c) Excess spent from previous year adjusted against current year CSR amount to be spent	516.07	
(d) Shortfall at the end of the year	516.07	
(e) Total of previous year shortfalls		
(f) Reason for shortfall		
(g) Nature of CSR activity	Education	
(h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per the relevant Accounting Standards		
(i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately		



52 Employee share based payment plan

(a) Description of share based payment plan

The "MMRFIC Technology Private Limited" was adopted by a resolution of the Board of Directors dated 01-02-2023 and approved by a special resolution by the shareholders at the extraordinary general meeting held on 02-03-2023. The Plan entitles employees with a right but not an obligation to purchase or subscribe at a future date the shares underlying the option at a predetermined price, subject to compliance with vesting conditions: all exercised options will be settled as provided under MMRFIC Employees Stock Option Plan 2024. As per the plan, holder of vested options are entitled to purchase one equity share for every option at an exercise price as mentioned in the ESOP Grant letter.

The equity shares covered under these options vest at various dates over a period ranging from one to five years from the date of the grant based on the length of the service completed by the employee from the date of grant.

The exercise period shall commence from the date of vesting and will expire on the date of registration or such other period as may be determined by the Board from time to time.

(b) The reconciliation of the share options under the share options plan are as follows:

Particulars	As at 31 March 2025	Weighted average exercise price	As at 31 March 2024	Weighted average exercise price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year*	9,869	10	-	-
Forfeited and lapsed during the year	-	10	-	-
Outstanding at the end of the year	9,869	10	-	-
Exercisable at the end of the year	9,869	10	-	-

(i) The options outstanding as at 31 March 2025 have an exercise price of ₹10 each.

(c) The fair value per option is measured based on the Discounted Cash flow model, which is as below:

Measurement of fair value	Number of options	Range of fair value per option
As on 1 April 2022 to 31 March 2025	9,869	620
As on 1 April 2021 to 31 March 2023	-	-

(d) The fair value per option mentioned above is calculated on the grant date using the Discounted Cash flow model with the following assumptions:

Assumptions	For the year ended 31 March 2025	For the year ended 31 March 2024
Weighted average share price on the date of grant (₹)	-	-
Exercise price (₹)	10	-
Risk free interest rate	7.30%	-
Re levered Beta (B)- (Aswath Damodaran -Software Industry)	1.24	-
Cost of Equity (A) = (Rf + Rp*(B))	18.09%	-
Company specific risk premium (C)	5.00%	-
Cost of Equity (D) = ((A)+(C)) (Round Off)	23.10%	-

Total employee compensation cost pertaining to MMRFIC Employees Stock Option Plan during the year is 6,118.78 (31 March 2024 ₹ Nil).



53 Financial Ratios

Sl No	Ratio	Numerator	Denominator	31-March-2025	31-March-2024	% Variance
(a)	Current Ratio (in times)	Total current assets	Total current liabilities	4.35	2.98	46.18%
(b)	Debt-Equity ratio (in times)	Debt	Total equity	0.29	0.07	287.61%
(c)	Debt service coverage ratio (in times)	Earning for debt service (i.e Net Profit after taxes + Finance Cost + Depreciation & amortisation + Deferred tax + other adjustments)	Debt service (i.e interest + principal repayment)	1.00	(7.61)	-113.20%
(d)	Return on equity ratio (in %)	Profit for the year	Average total equity	0.08	0.35	-78.36%
(e)	Inventory turnover ratio (in times)	Cost of goods Sold	Average Inventory	0.99	0.71	40.72%
(f)	Trade receivables turnover ratio (in times)	Revenue from operations	Average accounts receivables	1.91	3.28	-41.74%
(g)	Trade payables turnover ratio (in times)	Direct purchases cost and other expenses	Average accounts payable	15.20	6.63	129.35%
(h)	Net capital turnover ratio (in times)	Revenue from operations	Average Working capital (i.e. Total current assets less Total current liabilities)	0.53	1.36	-60.72%
(i)	Net profit ratio (in %)	Profit for the year	Revenue from operations	0.12	0.34	-63.92%
(j)	Return on capital employed (in %)	Profit before tax and finance costs	Average Capital Employed (i.e Net Worth + Total Debt - Intangible Assets- Deferred Tax Asset (net)	0.22	0.31	-29.76%
(k)	Return on investments (in %)	Profit for the year	Total expenses	0.11	0.59	-81.30%

* Excluding charity & donation, corporate social responsibility expenditure and provision for doubtful advances

Notes:
Reasons for variance exceeding 25% in the above mentioned financial ratios:

- a. Current Ratio (46.18% Increase) This was primarily driven by a major increase in cash from a new term loan and the issuance of shares.
- b. Debt-Equity Ratio (287.61% Increase): The ratio increased sharply primarily due to the fresh long-term secured borrowings of ₹9.98 crores availed from ICICI Bank during the financial year 2024-25. While equity also increased through the issuance of preference shares, the addition of substantial debt to the capital structure was the primary driver for this variance.
- c. Debt Service Coverage Ratio (-142.53% Change): The ratio improved from a negative value to 1.00. The negative ratio in the previous year was a result of negative cash flow from operations, indicating insufficient funds to cover debt obligations. In the current year, the company generated positive operating profit and cash flows, enabling it to meet its debt service obligations (interest and principal payments). This turnaround from operating losses to profitability is the reason for the significant percentage change.
- d. Return on Equity (RoE) Ratio (-78.36% Decrease): The significant decline in RoE is a direct consequence of a sharp reduction in Net Profit, which fell from ₹5.13 crores in FY 2024 to ₹1.91 crores in FY 2025. This decrease in profitability, coupled with an increase in the average equity base due to the issuance of preference shares, led to a much lower return being generated for shareholders.



- e. **Inventory Turnover Ratio (40.72% Increase):** The ratio improved, indicating more efficient management of inventory. This was driven by a substantial increase in the Cost of Materials Consumed (from ₹2.15 crores to ₹4.26 crores) which outpaced the growth in average inventory levels. This suggests a faster conversion of raw materials into work-in-progress or finished goods.
- f. **Trade Receivables Turnover Ratio (-41.74% Decrease):** The decline in this ratio indicates a slowdown in collections from customers. While Revenue from Operations remained relatively stable, the Average Trade Receivables increased significantly (from approx. ₹6.1 crore to ₹12.5 crore). This suggests that the company's credit period or collection cycle has extended in the current year.
- g. **Trade Payables Turnover Ratio (129.35% Increase):** The significant increase in this ratio suggests that the company is paying its suppliers more quickly relative to its volume of purchases. This was driven by a sharp increase in direct costs and purchases during the year.
- h. **Net Capital Turnover Ratio (-60.72% Decrease):** The ratio declined because the company's Working Capital base expanded massively during the year. This was primarily due to the large infusion of cash from the new term loan and share issue, which was not matched by a proportional increase in Revenue from Operations. This indicates that the newly raised capital has not yet been fully deployed to generate higher revenue.
- i. **Net Profit Ratio (-63.92% Decrease):** This ratio, which measures profitability against revenue, declined steeply due to the significant drop in Net Profit (from ₹5.13 crores to ₹1.91 crores) while Revenue from Operations remained almost flat. This points to increased operating costs, finance costs, or other expenses that have eroded the company's margins during the year.
- j. **Return on Capital Employed (ROCE) (-29.76% Decrease):** The ROCE decreased because of two simultaneous factors: a decline in Earnings Before Interest and Tax (EBIT) due to lower profitability, and a significant increase in the Capital Employed base from the new debt and equity raised during the year. The company is generating lower returns on a much larger capital base.



54 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period in the current financial year.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- (v) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities ('intermediaries') with the understanding that the directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company; or
- (a) provide any guarantee, security or the like to or on behalf of the Company;
- (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities with the understanding that the Company shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding person or entity; or
- (a) provide any guarantee, security or the like on behalf of the funding person or entity;
- (b) The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (viii) The Company is not declared as a wilful defaulter by any bank or financial institution.
- (ix) The Company has complied with the restriction on number of layers prescribed under the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (x) The Company has not entered into any scheme or arrangement in terms of Section 230 to Section 237 of the Companies Act, 2013.
- (xi) The Company does not have any immovable property whose title deeds are not held in the name of Company.

As per our report of even date attached

for S V C & Co.,
Chartered Accountants

FRN : 012403S



CA. Venuvigneshha. C
Partner
Membership No : 215111

Place: Bengaluru
Date: 30.05.2025

for MMRFIC Technology Private Limited



Sarvana Kumar G
Director
DIN - 06877397

Place: Bengaluru
Date: 30.05.2025

Ravi C Vijayaraghavan
Director
DIN - 07811598

Place: Bengaluru
Date: 30.05.2025