

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditor's Report

To the Members of Cuddle Artificial Intelligence Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Cuddle Artificial Intelligence Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India relating to the liquidation basis of accounting, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

- a. We draw attention to Note 2.1 to the standalone financial statements, which explains that in view of the resolution passed by the Board of Directors in their meeting held on 26 April 2023 to transfer the business of the Company by way of slump sale to Fractal Analytics Private Limited (Holding Company), on a going concern basis, the going concern assumption is not appropriate for the preparation of standalone financial statements of the Company as at and for the year ended 31 March 2023. Accordingly, the standalone financial statements of the Company have been prepared on a liquidation basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the standalone financial statements.

Our opinion is not modified in respect of this matter.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063



Independent Auditor's Report (Continued)
Cuddle Artificial Intelligence Private Limited

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or 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.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India relating to the liquidation basis of accounting, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. In the present case the Board of Directors intends to cease the operations of the Company and has passed a resolution dated 26 April 2023 approving transfer of the Company's business.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditor's Report (Continued)
Cuddle Artificial Intelligence Private Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. In the present case, liquidation basis of accounting has been used since the Management and Board of Directors have concluded that the use of going concern basis is not appropriate in the facts and circumstances as stated in Note 2.1.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. The report does not include a statement on the matters specified on paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of a project ticketing software which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act as applicable to liquidation basis of accounting.
 - e. Ms. Kathy Leake, director of the Company as at 31 March 2023, has not provided written representation as required in terms of section 164(2) of the Act. In the absence of such representation, we are unable to comment whether Ms. Kathy Leake is disqualified from being



Independent Auditor's Report (Continued)

Cuddle Artificial Intelligence Private Limited

appointed as director under section 164(2) of the Act as at 31 March 2023. With regards to the other directors of the Company, on the basis of written representation received from such directors, and taken on record by the board of directors, we report that none of the remaining directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

- f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
 - g. The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3)).
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 31 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 31 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.



Independent Auditor's Report (Continued)
Cuddle Artificial Intelligence Private Limited

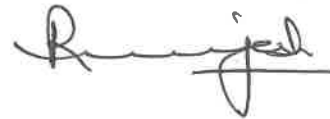
C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Rajesh Mehra

Partner

Place: Mumbai

Date: 19 July 2023

Membership No.: 103145

ICAI UDIN: 23103145BGXWXJ2490

Cuddle Artificial Intelligence Private Limited
Standalone Balance Sheet as at March 31, 2023

(in 000' Rupees)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	(3)	482	465
(b) Other intangible assets	(4)	98,425	50,583
(c) Intangible assets under development	(4a)	-	58,692
(d) Financial assets			
(i) Investments	(5)	-	2,108
(e) Income tax assets (net)		1,332	775
Total non-current assets		100,239	112,623
(B) Current assets			
(a) Financial assets			
(i) Trade receivables	(6)	35,364	23,451
(ii) Cash and cash equivalents	(7)	4,041	3,513
(b) Other current assets	(8)	10,230	14,955
Total current assets		49,635	41,919
Total assets		149,874	154,542
EQUITY AND LIABILITIES			
(A) Equity			
(a) Share capital	(9)	163,361	163,103
(b) Other equity	(10)	(953,883)	(631,341)
Total equity		(790,522)	(468,238)
(B) Liabilities			
(I) Non-current liabilities			
(a) Provisions	(15)	6,995	5,707
Total non-current liabilities		6,995	5,707
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	(11)	253,500	186,000
(ii) Trade payables			
1. Total outstanding dues of micro enterprises and small enterprises	(12)	-	-
2. Total outstanding dues of creditors other than micro enterprises and small enterprises	(12)	632,156	401,915
(iii) Other financial liabilities	(13)	42,127	26,192
(b) Other current liabilities	(14)	5,437	2,702
(c) Provisions	(15)	181	264
Total liabilities		933,401	617,073
Total Equity and Liabilities		149,874	154,542

Significant accounting policies

The accompanying notes from 1 to 35 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Rajesh Mehra

Partner

Membership number : 103145

Place: Mumbai

Date: July 19, 2023

1 - 2

For and on behalf of the Board of Directors of

Cuddle Artificial Intelligence Private Limited

CIN: U74999MH2016PTC283206



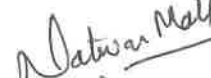
Rajeshwari Aradhyula

Director

DIN: 09337789

Place: Mumbai

Date: July 19, 2023



Natwar Mall

Director

DIN: 01995085

Place: Mumbai

Date: July 19, 2023



Soniya Agarwal

Company Secretary

ACS No. A17336

Place: Mumbai

Date: July 19, 2023

Cuddle Artificial Intelligence Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023

(in 000' Rupees)

Particulars	Note	Year Ended March 31, 2023	Year Ended March 31, 2022
(1) Income			
(a) Revenue from operations	(16)	73,749	67,357
(b) Other income	(17)	100	40
Total Income		73,849	67,397
(2) Expenses			
(a) Employee benefits expenses	(18)	88,667	59,436
(b) Finance costs	(19)	16,964	9,126
(c) Depreciation and amortization expenses	(20)	40,603	54,452
(d) Other expenses	(21)	248,693	205,616
Total Expenses		394,927	328,630
(3) Loss before exceptional items and tax (1-2)		(321,078)	(261,233)
(4) Exceptional Items	(22)	3,464	-
(5) Loss before tax (3-4)		(324,542)	(261,233)
(6) Total tax expense	(30)		
(a) Current tax		-	(13)
(b) Tax expense for earlier years		(50)	-
(c) Deferred tax (credit)/charge		-	-
Total tax expense		(50)	(13)
(7) Loss for the year (5-6)		(324,492)	(261,220)
(8) Other comprehensive income			
(1) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit liability / asset, net		169	1,270
(b) Income tax on items that will not be reclassified subsequently to profit or loss		-	-
Total other comprehensive income for the year		169	1,270
(9) Total comprehensive loss for the year		(324,323)	(259,950)
Earning per share	(29)		
(1) Basic		(1.99)	(1.61)
(2) Diluted		(1.99)	(1.61)

Significant accounting policies

1 - 2

The accompanying notes from 1 to 35 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

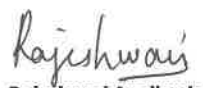


Rajesh Mehra
Partner
Membership number : 103145

Place: Mumbai
Date: July 19, 2023

For and on behalf of the Board of Directors of
Cuddle Artificial Intelligence Private Limited

CIN: U74999MH2016PTC283206



Rajeshwari Aradhyula
Director
DIN: 09337789

Place: Mumbai
Date: July 19, 2023



Natwar Mall
Director
DIN: 01995085

Place: Mumbai
Date: July 19, 2023



Soniya Agarwal
Company Secretary
ACS No. A17336

Place: Mumbai
Date: July 19, 2023

Cuddle Artificial Intelligence Private Limited
Standalone Statement of Cash flows for the year ended March 31, 2023

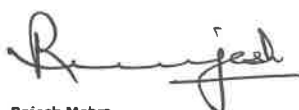
(in 000' Rupees)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
(A) Cashflow from operating activities		
Loss before exceptional items and tax	(321,078)	(261,233)
Adjustment for:		
Depreciation and amortization	40,603	54,452
Interest income on Fixed Deposit	(44)	-
Gain on sale from fixed assets	(42)	(40)
Sundry balances written back	(14)	-
Interest expense	16,964	9,126
Employee stock option expense	414	910
Foreign exchange loss, net	23,025	6,307
Operating cash flow before working capital changes	(240,172)	(190,478)
Adjustment for changes in working capital:		
(Increase) in trade receivables	(10,824)	(21,250)
Decrease in other current assets	4,725	6,779
Increase in trade payables	206,141	176,228
(Decrease) / Increase in current provisions	(83)	187
Increase in non-current provisions	1,457	1,082
(Decrease) in current financial liabilities	(1,029)	(3,839)
Increase /(decrease) in current liabilities	2,735	(36,816)
Cash used in operating activities	(37,050)	(68,107)
Income tax paid (net of refunds)	(507)	(478)
Net cashflows used in operating activities	(37,557)	(68,585)
(B) Cashflow from investing activities		
Purchase of property, plant and equipment and intangible assets	(29,784)	(40,667)
Proceeds from sale of property, plant and equipment	56	40
Interest Income	44	-
Net cashflow used in Investing activities	(29,684)	(40,627)
(C) Cashflow from financing activities		
Proceeds from issue of equity shares	269	2,186
Proceeds from inter corporate loan	155,000	106,000
Repayment from inter corporate loan	(87,500)	-
Interest on inter corporate loan	-	(913)
Net cashflows from financing activities	67,769	107,273
Net increase / (decrease) in cash and cash equivalents (A+B+C)	528	(1,939)
Cash and cash equivalents at the beginning of the year	3,513	5,452
Cash and cash equivalents at the end of the year	4,041	3,513
Cash and cash equivalents comprise of:		
Cash in hand	-	-
Balance with banks:		
In current accounts	4,041	3,513
Total cash and cash equivalents	4,041	3,513
Details of borrowings		
Loan from related party		
Opening balance	186,000	80,000
Loan taken during the year	155,000	106,000
Loan repaid during the year	87,500	-
Closing balance	428,500	186,000

Note: The standalone statement of cashflows has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows' as specified under section 133 of the Companies Act, 2013.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022




Rajesh Mehra
Partner
Membership number : 103145

Mumbai
Date: July 19, 2023

For and on behalf of the Board of Directors of
Cuddle Artificial Intelligence Private Limited

CIN: U74999MH2016PTC283206



Rajeshwari Aradhyula
Director
DIN: 09337789

Natwar Mall
Director
DIN: 01995085

Place: Mumbai
Date: July 19, 2023

Place: Mumbai
Date: July 19, 2023



Soniya Agarwal
Company Secretary
ACS No. A17336

Place: Mumbai
Date: July 19, 2023

Cuddle Artificial Intelligence Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2023

(A) Equity share capital

(in 000* Rupees)		
Particulars	Note	Amount
Balance as at April 1, 2021		160,917
Changes in equity share capital during the year		2,186
Balance as at March 31, 2022	(9)	163,103
Balance as at April 1, 2022		163,103
Changes in equity share capital during the year		258
Balance as at March 31, 2023	(9)	163,361

(B) Other equity

Particulars	Reserves and Surplus				Share application money pending allotment	Total equity
	Securities premium	Retained earnings	Remeasurement of defined benefit plans	Employee stock option outstanding		
Balance as at April 1, 2021	4,638	(383,153)	(1,724)	5,837	-	(374,402)
Transfer on exercise of stock options	809	-	-	(809)	-	-
Employee stock compensation expense	-	-	-	3,011	-	3,011
Transfer on account of lapse of vested ESOP	-	55	-	(55)	-	-
Other comprehensive income	-	-	1,270	-	-	1,270
Loss for the year	-	(261,220)	-	-	-	(261,220)
Balance as at March 31, 2022	5,447	(644,318)	(454)	7,984	-	(631,341)
Transfer on exercise of stock options	99	-	-	(99)	-	-
Share application money received during the year	-	-	-	-	269	269
Issue of Equity shares pursuant to exercise of ESOPs (refer note 9)	11	-	-	-	(269)	(258)
Employee stock compensation expenses	-	-	-	1,770	-	1,770
Transfer on account of lapse of vested ESOP	-	47	-	(47)	-	-
Loss for the year	-	(324,492)	-	-	-	(324,492)
Other comprehensive income for the year	-	-	169	-	-	169
Balance as at March 31, 2023	5,557	(968,763)	(285)	9,608	-	(953,883)

Note : There are no changes in accounting policy or prior period errors which are charged to retained earnings

(C) Nature and purpose of reserves

(a) **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be used only in accordance with provisions of Companies Act, 2013 for specified purposes.

(b) **Employee Stock Options Outstanding :** Stock Options Outstanding Account relates to Stock options granted by the Company to its employees under an Employee Stock Options Plan.

(c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date net of appropriations. It is available for distribution to Shareholders.

(d) **Share application money pending allotment:** Share application money pending allotment represents application money received on account of employees stock option scheme.

The accompanying notes from 1 to 35 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Rajesh Mehra
Partner
Membership number : 103145

Mumbai
Date: July 19, 2023

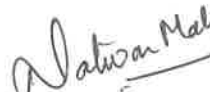
For and on behalf of the Board of Directors of
Cuddle Artificial Intelligence Private Limited

CIN: U74999MH2016PTC283206



Rajeshwari Aradhyula
Director
DIN: 09337789

Place: Mumbai
Date: July 19, 2023



Natwar Mall
Director
DIN: 01995085

Place: Mumbai
Date: July 19, 2023



Somya Agarwal
Company Secretary
ACS No. A17336

Place: Mumbai
Date: July 19, 2023

Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

1.1 Corporate Information

Cuddle Artificial Intelligence Private Limited ('the Company') is a private limited company, incorporated and domiciled in India and is an AI-based Business Intelligence platform that delivers relevant insights to users across any organization to make frictionless decisions immediately by enabling intuitive access to all of their available data. This provides quick, intelligent, actionable insight into their core business KPIs. The registered office of the Company is located at Level 7, Commerz II, International Business Park, Oberoi Garden City, Western Express Highway, Goregaon (E), Mumbai -400063.

2 Significant Accounting Policies

2.1 Basis of Preparation

These Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Standalone Financial Statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer to accounting policy regarding financial instruments), Employees Stock Option plan as per the fair value of the option and Employee's Defined Benefit Plan as per actuarial valuation.

The Standalone Financial Statements are presented in Indian Rupees (INR), which is Company's presentation currency. All values are rounded off to nearest thousands, except when otherwise indicated.

Subsequent to the year ended March 31, 2023, the Company's Board of Directors, on April 26, 2023, has approved the transfer of product/ intellectual property 'Cuddle' along with associated assets, liabilities, licenses, intellectual property rights, regulatory approvals, permits, contracts and employees by means of a business transfer from the Company to Fractal Analytics Private Limited (Holding Company), by way of slump sale on a going concern basis. Accordingly, the Company vide business transfer agreement dated June 1, 2023, has transferred the above assets and liabilities at book values on going concern basis to the Holding Company. Pursuant to the above decision, the Company does not have any plan for business operations for the foreseeable future. Further, the Company intends to cease operations of its wholly-owned subsidiary, Cuddle.ai Inc.

Consequently, the Company has determined that as per Ind AS 1, the going concern assumption is no longer considered appropriate as a basis for the preparation of standalone financial statements for the year ended March 31, 2023. Accordingly, the standalone financial statements of the Company have been prepared under liquidation basis of accounting whereby all the assets of the Company have been recorded at the lower of the carrying amounts and estimated realizable value. All the liabilities have been accounted at the estimated settlement amounts.

As at March 31, 2023, the Company has non-current tax assets aggregating Rs. 1,332 thousand which will not be transferred pursuant to the proposed slump sale and consequently, the said asset has not been written off. Further, the Company has sufficient cash to meet its operating expense for a period of 12 months post the balance sheet date. The Company did not deviate from the general requirements of measurement, recognition and disclosure of Ind AS as applicable to the Company for the year ended March 31, 2023.

The significant accounting policies used in the preparation of the financial statements have been discussed in the respective notes.

2.2 Property, plant and equipment

All items of property, plant and equipment (PPE) are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of PPE is eliminated from the consolidated financial statements, either on disposal or when retired from active use. Losses/gains arising on derecognition of the PPE is recognised in the statement of profit or loss.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation on property, plant and equipment is provided on straight line method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Depreciation commences when the assets are ready for their intended use.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the statement of profit and loss.

2.3 Intangible assets

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

The intangible assets such as software and intellectual property are stated at cost less accumulated amortization and impairment losses if any. Cost comprises of the acquisition price, and any cost directly attributable and allocable on a reasonable basis to making the asset ready for its intended use.

Intangible assets under development includes intellectual property under development as at the balance sheet date. Product development costs are incurred on developing/upgrading the software products to launch new service modules and functionality to provide an enhanced suite of services. These development costs are capitalized and recognised as an intangible asset when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its ability and intention to use or sell the asset;
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible assets and probability of how the same will generate future economic benefits.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are recognized in profit or loss as incurred.



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023**

The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each financial year. Changes in the expected useful life are considered to modify the amortisation period and are treated as changes in accounting estimates.

Intangible assets are amortised over their expected useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use.

Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Useful life (years)
Intellectual property rights	3
Computers and accessories	3

2.4 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

2.5 Foreign Currency translation**Functional and Presentation currency**

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are initially recognized using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognized in profit or loss.

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.

2.6 Revenue recognition

Revenue is recognized when the Company satisfies performance obligations under the terms of its contracts, and control of the services is transferred to its customers in an amount that reflects the consideration the Company expects to receive from its customers in exchange for those services. This process involves identifying the customer contract, determining the performance obligations in the contract, determining the transaction price, allocating the transaction price to the distinct performance



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023**

obligations in the contract, and recognizing revenue when the performance obligations have been satisfied. A performance obligation is considered distinct from other obligations in a contract when it (a) provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and (b) is separately identified in the contract. The Company considers a performance obligation satisfied once it has transferred control of a services to the customer, meaning the customer has the ability to use and obtain the benefit from the services rendered.

Subscription services revenues consist of fees from customers accessing Company's cloud based software solutions. Revenues are recognized when control of these services is transferred to customers, in an amount that reflects the consideration expected to be entitled to in exchange for those services. The Company's subscription arrangements are considered service contracts and the customer does not have the right to take possession of the software.

Revenue from inter-company arrangement is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Dividend and interest income

Dividend is recognized as income when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Share-based payments

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards is determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

The Company has followed 'push down' accounting whereby employee stock compensation expenses relating to the options issued to subsidiary employees is recorded in the standalone financial statements of the Company under 'Deemed investment in subsidiary' with corresponding credit being recorded in Employees stock options outstanding account under 'Reserves and Surplus - Employee stock option reserve'.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

2.8 Employee benefits

Defined contribution plans

The Company's contribution to Provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings, through other comprehensive income in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

2.9 Taxation

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

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023**

differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of history of recent losses, the Company recognises 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 assets can be realised.

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such setoff.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets**(i) Classification, recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those to be measured at Amortized cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.



Cuddle Artificial Intelligence Private Limited

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain or loss on derecognition of the financial instrument measured at amortised cost is recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement. Interest income, transaction cost and discount or premium on acquisition are recognized in the income statement (finance income) using effective interest rate method. On derecognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through	At fair value. Transaction costs of financial	Changes in fair value of such assets are recorded in income statement as



Cuddle Artificial Intelligence Private Limited

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

	loss (FVTPL)	profit or loss. Any gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises.	assets expensed to income statement	other gains/ (losses) in the period in which it arises.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (on an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in fair value of such instrument are recorded in OCI. On disposal of such instruments, no amount is reclassified to income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividend income from such instruments are however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Changes in fair value of such assets are recorded in income statement.

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Investments in equity instruments of subsidiaries are measured at cost less impairment allowance in case of permanent diminution, if any.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

(ii) Impairment

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at Amortized cost e.g., loans, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(iii) De-recognition of financial assets

A financial asset is derecognized only when

- (a) the company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

B. Financial liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Classification, recognition and measurement

(a) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

(b) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognized at fair value plus any transaction costs that are attributable to the issue of financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- at Amortized cost
- at fair value through profit or loss (FVTPL)

(i) Financial liabilities at Amortized cost:

The company is classifying the following under Amortized cost;

- Borrowings from banks
- Borrowings from others
- Trade payables

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

(ii) Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, Recognized in profit or loss. The net gain or loss Recognized in profit or loss incorporates any interest paid on the financial liability.

Derecognition:

A financial liability is removed from the balance sheet when the obligation is discharged, or is 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 recognized in the Statement of Profit and Loss.

2.11 Fair value measurement

The Company measures financial instruments, such as, certain investments 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.12 Provisions and Contingencies

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes.

Contingent assets are not recognized. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset. Information on contingent liabilities is disclosed in the notes to the Standalone Financial Statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

2.13 Earnings per share:

The basic Earnings per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

2.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 Current/ Non-current classification:

An assets is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is 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 classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) the Company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

2.16 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.17 Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid/payable.

2.18 Significant accounting estimates, judgements and assumptions

The preparation of the Company's Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the Standalone Financial Statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts Recognized in the Standalone Financial Statements:

- a. Useful lives of property, plant and equipment and intangible assets:** The Company reviews the useful life lives of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation/ amortisation expense in future periods.
- b. Defined benefit plan:** The cost of the defined benefit gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- c. Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- d. Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.
- e. Share-based payments:** The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 27.
- f. Provision for income tax and deferred tax assets:** The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.



Cuddle Artificial Intelligence Private Limited

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

2.19 Recent pronouncements

The 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, 2023, MCA amended the Companies (Indian Accounting Standard) Amendment Rules, as below :

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, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included an amendment 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, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

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, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023
(3) Property, plant and equipment

(in 000' Rupees)

Particulars	Computers and accessories	Total
Gross carrying amount		
As at 1 April 2022	2,080	2,080
Additions	490	490
Disposals	(183)	(183)
As at 31 March 2023	2,387	2,387
Accumulated depreciation		
As at 1 April 2022	1,615	1,615
Depreciation	459	459
Disposals	(169)	(169)
As at 31 March 2023	1,905	1,905
Net carrying amount as at 31 March 2023	482	482
Gross carrying amount		
As at 1 April 2021	3,020	3,020
Additions	-	-
Disposals	(940)	(940)
As at 31 March 2022	2,080	2,080
Accumulated depreciation		
As at 1 April 2021	1,843	1,843
Depreciation	712	712
Disposals	(940)	(940)
As at 31 March 2022	1,615	1,615
Net carrying amount as at 31 March 2022	465	465

Note : The Company does not hold any immovable properties.

(4) Intangible assets

(in 000' Rupees)

Particulars	Intellectual property rights	Total
Gross carrying amount		
As at 1 April 2022	161,220	161,220
Additions	87,986	87,986
Disposals	-	-
As at 31 March 2023	249,206	249,206
Accumulated Amortisation		
As at 1 April 2022	110,637	110,637
Amortisation	40,144	40,144
Disposals	-	-
As at 31 March 2023	150,781	150,781
Net carrying amount as at 31 March 2023	98,425	98,425
Gross carrying amount		
As at 1 April 2021	161,220	161,220
Additions	-	-
Disposals	-	-
As at 31 March 2022	161,220	161,220
Accumulated Amortisation		
As at 1 April 2021	56,897	56,897
Amortisation	53,740	53,740
Disposals	-	-
As at 31 March 2022	110,637	110,637
Net carrying amount as at 31 March 2022	50,583	50,583



Cuddle Artificial Intelligence Private Limited

Notes to the Standalone financial statements as at and for the year ended March 31, 2023

The estimated amortisation for the years subsequent to March 31, 2023 is as follows:

Year ending March 31,	
2024	46,469
2025	29,328
2026	22,628
Total	98,425

(4a) Intangible assets under development*

(in 000' Rupees)

Particulars	Amount
Gross carrying amount	
As at 1 April 2022	58,692
Additions during the year	29,294
Capitalised	(87,986)
As at 31 March 2023	-
Gross carrying amount	
As at 1 April 2021	18,025
Additions during the year	40,667
Capitalised	-
As at 31 March 2022	58,692

*Intellectual Property Rights

Intangible assets under development ('IAUD') ageing schedule

Projects in progress

(in 000' Rupees)

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023	-	-	-	-	-
March 31, 2022	40,668	18,024	-	-	58,692

[Signature]



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone financial statements as at and for the year ended March 31, 2023**

Particulars	As at March 31, 2023	As at March 31, 2022
(5) Investments (Non-current)		
A. Investments in equity instruments in subsidiary (at cost) - Unquoted equity shares		
Cuddle.ai Inc, USA	6	6
1,000,000 shares (March 31, 2022 : 1,000,000 shares) of US dollars 0.0001 each fully paid up		
Less : Provision for impairment (Refer note 22)	(6)	-
B. Deemed investment in subsidiary		
Cuddle.ai Inc, USA (Refer note 24)	3,458	2,102
Less : Provision for impairment (Refer note 22)	(3,458)	-
Total (non-current)	-	2,108
(a) Aggregate carrying amount of unquoted investments	-	2,108
(b) Aggregate amount of impairment in value of investments	3,464	-



Particulars	As at March 31, 2023	As at March 31, 2022					
(6) Trade receivables							
<i>Current trade receivables</i>							
Unsecured, considered good							
Third party							
- Billed	-	296					
Related parties (Refer note 24)							
- Billed	33,105	21,184					
- Unbilled receivables	2,259	1,971					
Total current trade receivables	<u>35,364</u>	<u>23,451</u>					
March 31, 2023							
Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables							-
(i) Undisputed Trade receivables – considered good	-	31,544	1,561	-	-	-	33,105
	-	<u>31,544</u>	<u>1,561</u>	-	-	-	<u>33,105</u>
Trade Receivables -Unbilled							2,259
Total							<u>35,364</u>
March 31, 2022							
Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables							-
(i) Undisputed Trade receivables – considered good	-	21,480	-	-	-	-	21,480
	-	<u>21,480</u>	-	-	-	-	<u>21,480</u>
Trade Receivables -Unbilled							1,971
Total							<u>23,451</u>
(7) Cash and cash equivalents							
Balance with banks							
In current accounts							4,041
Total cash and cash equivalents							<u>4,041</u>
(8) Other assets							
<i>Current assets</i>							
Balance with government authorities							9,415
Prepaid expenses							659
Advance to vendors							156
Total current assets							<u>10,230</u>
							<u>14,955</u>





(in '000' Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
(9) Equity share capital		
<i>Authorised</i>		
300,000,000 equity shares of Rs. 1 each	300,000	300,000
(March 31, 2022: 300,000,000 equity shares of Rs. 1 each)		
	300,000	300,000
<i>Issued, subscribed and fully paid-up</i>		
163,360,913 equity shares of face value of Rs. 1 each fully paid up	163,361	163,103
(March 31, 2022: 163,102,532) equity shares of face value of Rs. 1 each fully paid up.		
	163,361	163,103

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023 Number of shares (in '000)	Amount	As at March 31, 2022 Number of shares (in '000)	Amount
<i>Equity shares</i>				
At the commencement of the year	163,103	163,103	160,917	160,917
Shares issued during the year	258	258	2,186	2,186
At the end of the year	163,361	163,361	163,103	163,103

During the year ended March 31, 2023: 258,381 (March 31, 2022: 2,185,853) number of equity shares of face value Rs 1 were issued at various price towards exercise of employee stock options.

(b) Shares held by Holding Company

Figures are in Lakhs, unless stated otherwise.

Particulars	As at March 31, 2023		As at March 31, 2022	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
Equity shares of Rs. 1 each fully paid-up held by Fractal Analytics Private Limited and its Nominees	98.15%	160,344,828	98.31%	160,344,828

(c) Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
Equity shares of Rs. 1 each fully paid-up held by Fractal Analytics Private Limited and its Nominees	98.15%	160,344,828	98.31%	160,344,828

(d) Details of shares held by promoters

March 31, 2023					
Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fractal Analytics Private Limited	160,344,828	-	160,344,828	98.15%	0%
Total	160,344,828	-	160,344,828	98.15%	0%
March 31, 2022					
Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fractal Analytics Private Limited	160,344,828	-	160,344,828	98.31%	0%
Total	160,344,828	-	160,344,828	98.31%	0%

(e) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(f) Shares reserved for issues under options

Particulars	As at March 31, 2023 No. of shares	As at March 31, 2022 No. of shares
Equity shares of Rs. 1 each reserved for issue under employee stock option scheme	41,958,235	42,216,616
For terms and other details Refer note 27(a) and 27(b).		

(g) Subsequent to the year end, the parent company has bought back 3,016,085 fully paid-up equity shares at Rs 3,197,537 from the existing shareholders.

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	5,557	5,447
Employee stock option reserve	9,608	7,984
Retained earnings	(968,763)	(644,318)
Other comprehensive income	(285)	(454)
Total other equity	(953,883)	(631,341)

Note : For movement during the year, refer Statement of changes in equity.



Particulars	As at March 31, 2023	As at March 31, 2022
(11) Borrowings		
<i>Current (Unsecured)</i>		
Inter corporate loan (Refer note 24)	253,500	186,000
Total current liabilities	253,500	186,000

The Company has obtained unsecured intercorporate loan from Fractal Analytics Private Limited, holding company which is repayable on demand. This loan carries interest rate of 7%.

(12) Trade payables		
<i>Current trade payables</i>		
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	8,283	8,593
- Related parties (Refer note below and note 24)	623,873	393,322
Total current trade payables	632,156	401,915

The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. The Company has not received intimation from any of the 'suppliers' regarding their status under MSMED Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable as required have not been furnished.

Note: Subsequent to the year end, the Company has received waiver for the amount payable to its related parties.

March 31, 2023						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	166,427	10,319	207,510	50,881	197,019	632,156
Total	166,427	10,319	207,510	50,881	197,019	632,156

March 31, 2022						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,706	174,076	39,689	185,444	-	401,915
Total	2,706	174,076	39,689	185,444	-	401,915

(13) Financial liabilities		
<i>Current financial liabilities</i>		
Interest accrued and due on borrowings	31,587	16,319
- Related parties (Refer note 24)	10,540	9,873
Employee benefits payable	42,127	26,192
Total current financial liabilities	42,127	26,192

(14) Other liabilities		
<i>Current liabilities</i>		
Statutory dues payable*	5,437	2,702
Total other current liabilities	5,437	2,702
*Includes liability towards Tax deducted at source, provident fund contribution and Professional tax		

(15) Provisions		
<i>Non-current provisions</i>		
Gratuity (Refer note 23 (b))	6,995	5,702
Total non-current provisions	6,995	5,702
<i>Current provisions</i>		
Gratuity (Refer note 23 (b))	181	264
Total current provisions	181	264



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023

(in 000' Rupees)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
(16) Revenue from operations		
Sale of services		
- Third party	-	1,361
- Related parties (Refer note 24)	73,749	65,996
Total revenue from operations	73,749	67,357
(17) Other income		
Interest income on fixed deposit	44	-
Gain on sale from property, plant and equipment	42	40
Miscellaneous income	14	-
Total other income	100	40
(18) Employee benefits expenses		
Salaries, wages and bonus	82,188	54,553
Contribution to provident funds (Refer note 23 (a))	2,494	1,536
Gratuity (Refer note 23 (b))	1,993	1,269
Employee stock compensation expense (Refer note 27(b))	414	910
Staff welfare expense	1,578	1,168
Total employee benefits expenses	88,667	59,436
(19) Finance costs		
Interest expense on :		
- intercorporate loan (Refer note 24)	16,964	9,126
Total finance cost	16,964	9,126
(20) Depreciation and amortization expenses		
Depreciation of property, plant and equipment	459	712
Amortization of intangible assets	40,144	53,740
Total depreciation and amortization expenses	40,603	54,452
(21) Other expenses		
Marketing support services (Refer note 24)	162,019	155,695
Cloud computing expenses	36,774	29,699
Legal and professional fees	12,081	8,649
Outsourced manpower cost	5,333	20
Travelling and conveyance expenses	2,553	453
Rents, rates and taxes	2,767	2,657
Communication expenses	309	101
Repairs and maintenance	291	111
Recruitment expenses	204	-
Business promotion expenses	185	-
Payment to auditors (Refer note 21(a) below)	902	910
Software maintenance charges	788	748
Membership and subscription charges	102	114
Foreign exchange loss, net	23,291	6,281
Miscellaneous expenses	1,094	178
Total other expenses	248,693	205,616
21 (a) Payment to auditors :		
For statutory audit	900	900
Out of pocket expense (OPE)	2	10
Total payment to auditors	902	910
(22) Exceptional Items		
Provision for impairment towards investment in subsidiary (Refer note 5)	3,464	-
	3,464	-



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone financial statements as at and for the year ended March 31, 2023****(23) Employee benefits****(a) Defined contribution plan**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has neither further contractual nor any constructive obligation.

Particulars	(in 000' Rupees)	
	Year ended March 31, 2023	Year ended March 31, 2022
Employer contribution to provident fund	2,494	1,536

Included in 'Contribution to provident funds' under employee benefits expense (Refer note 18)

(b) Defined benefit plans**Gratuity:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The provision is made based on actuarial valuation by an independent actuary using the Projected-Unit Cost Method. Principal assumptions for actuarial valuation are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50%	7.25%
Future salary increases	10.00%	9.00%
Attrition rate		
Up to 2 years	23.00%	24.00%
3 - 4 years	5.00%	8.00%
Above 4 years	2.00%	4.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate -100%	Indian Assured Lives Mortality (2012-14) Ultimate -100%

Notes:

1. Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

2. Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(23) (b) Defined benefit plans (Continued)

The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) over the year are as follows :

Change in the present value of obligation	(in 000' Rupees)	
	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year	5,971	5,972
Interest cost	433	406
Past service cost	-	-
Current service cost	1,560	863
Benefits paid	(619)	-
Remeasurement due to		
Actuarial loss/(gain) arising from change in financial assumptions	197	(505)
Actuarial loss/(gain) arising on account of experience changes	144	(1,631)
Actuarial loss/(gain) arising on account of demographical assumptions	(510)	866
Present value of obligation at the end of the year	7,176	5,971



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023

	(in 000' Rupees)	
	As at	As at
	March 31, 2023	March 31, 2022
Reconciliation of present value of defined benefit obligation and the fair value of assets		
Present value obligation at the end of the year	(7,176)	(5,971)
Fair value of plan assets as at the end of the period	-	-
Funded Status (Deficit)	(7,176)	(5,971)

	(in 000' Rupees)	
	March 31, 2023	March 31, 2022
Amount recognised in the statement of profit and loss		
Current service cost	1,560	863
Past service cost	-	-
Interest cost	433	406
Total expense recognized in the statement of profit and loss	1,993	1,269

	(in 000' Rupees)	
	March 31, 2023	March 31, 2022
Amount recognised in other comprehensive income		
Remeasurements during the year due to		
Changes in financial assumptions	197	(505)
Changes in demographic assumptions	(510)	866
Experience adjustments	144	(1,631)
Amount recognised in other comprehensive income	(169)	(1,270)

(c) Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

	(in 000' Rupees)	
Particulars	As at	As at
	March 31, 2023	March 31, 2022
Discount rate +100 basis points	(6,054)	(5,214)
Discount rate -100 basis points	8,590	6,904
Salary increase rate +100 basis points	7,637	6,330
Salary increase rate -100 basis points	(6,706)	(5,583)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated.

(d) Expected future benefit payments

	(in 000' Rupees)	
	As at	As at
	March 31, 2023	March 31, 2022
Expected undiscounted cash flows for following year		
Expected total benefit payments		
1 year	181	264
Year 2 - 5 years	950	1,317
6 - 10 years	1,574	1,928
More than 10 years	32,574	18,132



(24) Related party transactions

(a) Related parties

Sr. No	Name of the party	Nature of relationship
1	Fractal Analytics Private Limited, India	Holding company
2	Cuddle.ai Inc, USA	Subsidiary Company
3	Fractal Analytics Inc, USA	Fellow Subsidiary

(b) Key managerial personnel

Sr. No	Particulars	Nature of relationship
1	Mr. Natwar Mall	Director
2	Mr. Srikanth Velamakanni* (Resigned on April 25, 2023)	Director
3	Ms. Kathy Leake* (Resigned on April 03, 2023)	Director and Chief Executive Officer
4	Ms. Rajeshwari Aradhyula (w.e.f April 20, 2023)	Director

* Do not draw remuneration from the Company

(c) Details of transactions with related parties :

(in '000' Rupees)			
Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
A	Transactions		
1	Managerial remuneration Mr. Natwar Mall**	-	11,233
2	Reimbursement of expenses incurred on behalf of the Company Fractal Analytics Private Limited, India Cuddle.ai Inc, USA	10,034 2,477	17,210 -
3	Marketing support services availed from Cuddle.ai Inc, USA	162,019	155,695
4	Interest on inter-corporate Loan Fractal Analytics Private Limited, India	16,964	9,126
5	Revenue from operations Fractal Analytics Inc, USA Fractal Analytics Private Limited, India Cuddle.ai Inc, USA	60,746 10,744 2,259	57,802 6,759 1,435
6	Allocation of shared expenses incurred by the holding company Fractal Analytics Private Limited, India	8,085	7,535
7	Intercompany loan received during the year Fractal Analytics Private Limited, India	155,000	106,000
8	Intercompany loan repaid during the year Fractal Analytics Private Limited, India	87,500	-
9	Deemed Investment in subsidiary company Cuddle.ai Inc, USA	1,356	2,102

** Do not draw remuneration from the Company during the year

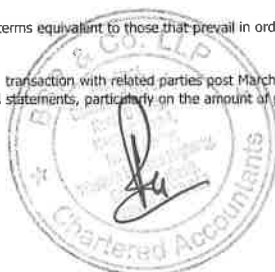
B	Closing balances	As at March 31, 2023	As at March 31, 2022
1	Trade payables Cuddle.ai Inc, USA Fractal Analytics Private Limited, India Fractal Analytics Inc, USA	431,884 156,947 35,042	246,106 115,005 32,210
2	Trade receivables Fractal Analytics Inc, USA Cuddle.ai Inc, USA	29,983 3,122	19,749 1,435
3	Unbilled Revenue Fractal Analytics Private Limited, India Cuddle.ai Inc, USA	- 2,259	1,971 -
4	Inter corporate Loan Fractal Analytics Private Limited, India	253,500	186,000
5	Interest accrued and due Fractal Analytics Private Limited, India	31,587	16,319
6	Deemed Investment in subsidiaries Cuddle.ai Inc, USA	3,458	2,102

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits recognized as per Ind AS 19 - 'Employee Benefits' in the Standalone financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the Company as a whole and hence not included as part of managerial remuneration.

The Cost of employee stock options granted to Ms Kathy Leake for the year ended March 31, 2023 is Rs. 1297 ('000) (March 31, 2022: Rs. 1,979 ('000)).

The transactions with related parties are made on terms equivalent to those that prevail in ordinary course of business. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Management believes that Company's international transaction with related parties post March 31, 2022 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of provision of taxation for the year ended March 31, 2023.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023

(25) Financial 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 Board is responsible for developing and monitoring the Company's risk management policies. The Board holds regular meetings on its activities.

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

a) 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.

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence and goodwill. Outstanding customer receivables are regularly monitored.

The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and other receivables.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Trade receivables	(in 000' Rupees)	
	March 31, 2023	March 31, 2022
Not past due	2,259	1,971
Past due	33,105	21,480
	35,364	23,451

(b) 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. Also, refer note 2.1.

Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows.

Particulars	Carrying amount	(in 000' Rupees)	
		Undiscounted amount	
		<12months	>12months
March 31, 2023			
Intercompany loan	253,500	253,500	-
Trade payables	632,156	632,156	-
Interest accrued and due	31,587	31,587	-
Employee related liabilities	10,540	10,540	-
Total	927,783	927,783	-
March 31, 2022			
Intercompany loan	186,000	186,000	-
Trade payables	401,915	401,915	-
Interest accrued and due	16,319	16,319	-
Employee related liabilities	9,873	9,873	-
Total	614,108	614,107	-

(c) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – which could affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of revenue generating and operating activities in foreign currency.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023

(i) Currency risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of United States Dollar(\$). The Company ensures that the net exposure is kept to an acceptable level.

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

As at March 31, 2023

Particulars	(in 000' Rupees)	
	USD converted to INR	Total
Financial assets		
Trade receivables (including unbilled)	35,364	35,364
Net exposure to foreign currency (assets)	35,364	35,364
Financial liabilities		
Trade payables	466,926	466,926
Net exposure to foreign currency (liabilities)	466,926	466,926
Net exposure to foreign currency	(431,562)	(431,562)

As at March 31, 2022

Particulars	(in 000' Rupees)	
	USD converted to INR	Total
Financial assets		
Trade receivables	19,749	19,749
Net exposure to foreign currency (assets)	19,749	19,749
Financial liabilities		
Trade payables	278,316	278,316
Net exposure to foreign currency (liabilities)	278,316	278,316
Net exposure to foreign currency	(258,567)	(258,567)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies would have affected the measurement of financial instruments denominated in a foreign currency profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	(in 000' Rupees)	
	Impact on profit after tax and equity	
	March 31, 2023	March 31, 2022
USD		
- Increase by 5%	(16,147)	(9,675)
- Decrease by 5%	16,147	9,675

(ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's deposits/loans are all at fixed rate and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company has assessed no exposure to fluctuating change of market interest rates.

(ii) Capital Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

Equity Ratio - Total Equity divided by Total Assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Gross debt	253,500	186,000
Less : Cash and cash equivalents	(4,041)	(3,513)
Net debt (A)	249,459	182,487
Share capital	163,361	163,103
Other equity	(953,883)	(631,341)
Total equity (B)	(790,522)	(468,239)
Net gearing ratio (A/B)	(0.32)	(0.39)



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023
(26) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value. Those include cash and cash equivalents, trade receivables and trade payables.

(a) Financial instruments by category

March 31, 2023		(in '000' Rupees)	
Particulars	Carrying amount		Fair value
	Fair value through profit or loss	Amortised cost	Level
Financial assets			
Current			
Trade receivables	-	35,364	-
Cash and cash equivalents	-	4,041	-
Total financial assets	-	39,405	-
Financial liabilities			
Current			
Trade payables	-	632,156	-
Inter corporate loan (Refer note 24)	-	253,500	-
Other financial liabilities	-	42,127	-
Total financial liabilities	-	927,783	-
March 31, 2022			
Particulars	Carrying amount		Fair value
	Fair value through profit or loss	Amortised cost	Level
Financial assets			
Current			
Trade receivables	-	23,451	-
Cash and cash equivalents	-	3,513	-
Total financial assets	-	26,964	-
Financial liabilities			
Current			
Trade payables	-	401,915	-
Inter corporate loan (Refer note 24)	-	186,000	-
Other financial liabilities	-	26,192	-
Total financial liabilities	-	614,107	-

Note: Carrying amounts of cash and cash equivalents, trade receivables, trade payables and borrowings as at March 31, 2023 and March 31, 2022 approximate the fair value on account of their short-term maturities.

Note :

There are no transfers between any of these levels during the year.



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone financial statements as at and for the year ended March 31, 2023****(27) (a) Employee Stock Options Scheme (ESOP)**

The Company has granted stock options under the Employees Stock Option Scheme 2018 ("ESOP 2018") and Employees Stock Option Scheme 2021 ("ESOP 2021") to its employees which is approved by its Board and Shareholders and further amended in line with the provisions of Companies Act, 2013. These options vest during 1 to 4 years from the grant date and are exercisable within 6 to 10 years from vesting date. In the case of resignation of the employee, the grants lapse (if not exercised) after one month from the date of resignation from service. Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on grant date.

Movement of options granted with Weighted Average Exercise Price (WAEP)

Series Reference	ESOP Scheme 2021*	WAEP (Rs.)
Options outstanding as at April 01, 2021	18,623,571	1.02
Options granted during the year	3,547,586	1.10
Options lapse during the year	(1,738,187)	1.09
Options exercised during the year	(2,185,853)	1.00
Options outstanding as at March 31, 2022	18,247,117	1.03
Options outstanding as at April 01, 2022	18,247,117	1.03
Options granted during the year	480,000	1.16
Options lapse during the year	(1,631,165)	1.10
Options exercised during the year	(258,381)	1.04
Options outstanding as at March 31, 2023	16,837,571	1.03

For the year ended March 31, 2023

Particulars	2022-2023	2021-2022
No. of Options granted	480,000	3,547,586
Exercise Price (in Rs.)	1.16	1.10
Fair Value on Date of Grant of option (in Rs.)	0.40	0.34 - 0.45

The weighted average fair values of the options granted during the year was Rs. 0.40 (March 31, 2022: Rs 0.43).

The weighted average stock price of the options granted during the year ended March 31, 2023 is Rs. 1.16 (March 31, 2022 : Rs 1.10).

* The Company had passed a board resolution dated August 17, 2021 to terminate Cuddle Employees Stock Option Plan, as amended ('ESOP 2018'), without any additional compensation or consideration to the Optionees in lieu of existing Option(s) Grants, provided that any options granted prior to the date of such termination of ESOP 2018 shall remain valid until their expiry or Exercise in accordance with the terms of the amended ESOP 2018, prior to such termination and pursuant to the termination, no further grant shall be made under the ESOP 2018 and to transfer the options which would have been granted under the ESOP 2018, to the Cuddle ESOP 2021 Plan.

Fair valuation :

The fair value of options have been done by an independent firm of Chartered Accountants on the grant date using the Black-Scholes Model.

The key assumptions used in the Black-Scholes Model for calculating fair value on grant date:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Risk free rate	5.76% - 8.11%	5.76% - 8.11%
(ii) Expected Option life (Based on Simplified Average Method)	5 - 7 Years	5 - 7 Years
(iii) Expected volatility	14.87% - 28.30%	14.87% - 28.30%
(iv) Expected growth in dividend	0%	0%

As per Ind AS 102, the entity could derive an estimate of expected volatility the entity could consider the historical or implied volatility of similar listed entities. In the absence of comparable listed companies, volatility has been calculated by considering volatility of an Nifty IT index for the life of option.



Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023
(27) (b) Employee Stock Options Scheme (ESOP)

The Company has granted stock options under the Cuddle Employees Stock Option Plan ("Cuddle ESOP 2021 Plan") to its employees which are Time Based and Milestone Based and was approved by its Board and Shareholders and further amended in line with the provisions of Companies Act, 2013. Pursuant to the Plan, the Company has issued grants to its employees during Financial year 2021-22. These options vest over 3 years from the grant date and are exercisable within 10 years from grant date. In the case of termination of the employment of the management personnel, the vested grants lapses (if not exercised) after 60 days from the date of resignation from service. Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The management personnel compensation expense for the year has been determined on fair value basis.

Movement of options granted with Weighted Average Exercise Price (WAEP)

Series Reference	Cuddle ESOP 2021	WAEP (Rs.)
Options outstanding as at April 01, 2021	-	-
Options granted during the year	18,300,000	1.10
Options lapse during the year	-	-
Options exercised during the year	-	-
Options outstanding as at March 31, 2022	18,300,000	1.10
Options outstanding as at April 01, 2022	18,300,000	1.10
Options granted during the year	-	-
Options lapse during the year	(9,150,000)	1.10
Options exercised during the year	-	-
Options outstanding as at March 31, 2023	9,150,000	1.10

For the year ended March 31, 2023

Particulars	2022-2023	2022-2023	2021-2022	2021-2022
	Time based	Milestone based	Time based	Milestone based
No. of Options granted	-	-	9,150,000	9,150,000
Exercise Price	-	-	1.1	1.1
Fair Value on Date of Grant of option (in Rs.)	-	-	0.45	0.45

The weighted average fair values of the options granted during the year was nil (March 31, 2022: Rs 0.45).

The weighted average stock price of the options granted during the year ended March 31, 2023 was nil (March 31, 2022 : Rs 1.10).

Note : Milestone based Stock Option Plan issued to employee is fully lapsed as on March 31, 2023 since conditions as stipulated under the vesting schedule of grant certificate is not expected to meet on future date.

Fair valuation :

The fair value of options have been done by an independent firm of Chartered Accountants on the grant date using the Black-Scholes Model.

The key assumptions used in the Black-Scholes Model for calculating fair value on grant date:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Risk free rate	5.61%	5.61%
(ii) Expected Option life (Based on Simplified Average Method)	5 Years	5 Years
(iii) Expected volatility	35.44%	14.87% - 35.44%
(iv) Expected growth in dividend	0%	0

As per Ind AS 102, the entity could derive an estimate of expected volatility the entity could consider the historical or implied volatility of similar listed entities. In the absence of comparable listed companies, volatility has been calculated by considering volatility of an Nifty IT index for the life of option.

Note : Subsequent to year end, the Company has cancelled Employees Stock Option Scheme 2021 ("ESOP 2021") options outstanding by passing Board resolution dated April 26, 2023 passed at the meeting of Board of directors and subsequently approved on May 15, 2023 by shareholders at extraordinary general meeting without payment of any additional compensation or consideration to the existing option holders in lieu of the existing option(s) grants, including in relation to the cancellation of any vested or unvested options granted prior to the date of such termination. Also, it is further clarified that pursuant to the termination of the Cuddle ESOP Plan, no further grant of options to any employees of the Company shall occur under the Cuddle ESOP Plan.

Note : Total ESOP expenses incurred for Financial year 2022-23 is Rs. 1770 ('000) of which Rs. 1356 ('000) are transferred to Cuddle US as it pertains to options given to employees of Cuddle US. Hence, net charge to P&L for FY 23 is Rs. 414 ('000).

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions	414	910
Total expense arising from share-based payment transactions	414	910



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone financial statements as at and for the year ended March 31, 2023****(28) Ratios**

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio - (No. of times)	Current Assets	Current Liabilities	0.05	0.07	-21.72%	-
Debt- Equity Ratio (No. of times)	Total Debt	Shareholder's Equity	(0.32)	(0.40)	-19.27%	-
Debt Service Coverage ratio - (No. of times)	Earnings for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and amortization + Interest	Debt service = Interest + Lease Payments + Principal Repayments	(15.74)	(21.66)	-27.35%	Note 1
Return on Equity ratio - (No. of times)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	NA	NA	-	Note 2
Trade Receivable Turnover Ratio - (No. of times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.51	5.25	-52.25%	Note 3
Trade Payable Turnover Ratio - (No. of times)	Purchases of services and other expenses	Average Trade Payables	0.48	0.66	-27.33%	Note 4
Net Capital Turnover Ratio - (No. of times)	Net sales = Total sales - sales return	Average working capital	(0.08)	(0.15)	-43.84%	Note 5
Net Profit ratio (%)	Net Profit	Net sales = Total sales - sales return	-440%	-388%	13.45%	Note 6
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	56.63%	89.32%	-36.60%	Note 7

Note 1 : Improvement in ratio is mainly due to reduction in loss in current year.

Note 2 : As the Net-worth is negative as on March 31, 2023 and as on March 31, 2022, hence Return on Equity ratio is not applicable.

Note 3 : Decrease is mainly due to increase in trade receivable balances in lower proportion as compare to increase in revenue.

Note 4 : Decrease is mainly due to increase in trade payable balances in lower proportion as compared to increase in expenditure in current year.

Note 5 : Decrease is on account of decrease in working capital as a result of increase in intercompany trade payable in current year.

Note 6 : Increase in losses is mainly due to increase in other expenses.

Note 7 : Net change is due to increase in other expenses and borrowing in current year.

Note :- Considering the principal activities of the company, inventory turnover ratio are not relevant.



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone financial statements as at and for the year ended March 31, 2023****(29) Earnings per share**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss attributable to the equity holders of the Company (in Rs. '000)	(324,492)	(261,220)
Weighted average number of equity shares	163,255,371	162,699,530
- Earnings per share (basic)	(1.99)	(1.61)
- Earnings per share (diluted)	(1.99)	(1.61)
Face value per equity share (Rs.)	1.00	1.00

Options granted to employees under the stock option plan are considered to be potential equity shares. The options have not been included in the determination of diluted earnings per share. Details relating to the options are set out in Note 27A and 27B. In view of losses during the current and previous year, the options are anti-dilutive in nature. Accordingly, the basic and dilutive earning per share is the same.

(30) Income tax expense

This note provides analysis of company's income tax expense, amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates in relation to the Company's tax position.

(a) Income tax expense is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Recognised in profit and loss		
Current tax		
- For the year	-	(13)
- Adjustment for earlier years	(50)	-
Deferred tax (credit) /charge for the year	-	-
Total tax expense	(50)	(13)
(b) Recognised in other comprehensive income		
Deferred tax	-	-
Total Tax Expense	-	-
Tax Expense	(50)	(13)

(b) Reconciliation of tax expense and the accounting profit computed by applying income tax rate:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax	(324,542)	(261,233)
Tax rate	25.17%	25.17%
Computed tax expense	(81,681)	(65,747)
Deferred tax asset not recognised on unabsorbed losses and other temporary differences	81,450	65,722
Expenses not deductible for tax purpose	231	25
Tax expense for previous period	(50)	(13)
Tax expense	(50)	(13)

The Company has not recognised deferred tax asset as at March 31, 2023 based on the assessment that there will be no sufficient profits available in near future, against which the Company can utilize unused tax losses.



Cuddle Artificial Intelligence Private Limited**Notes to the Standalone financial statements as at and for the year ended March 31, 2023****Significant components of unrecognised deferred tax assets and liabilities**

(in 000' Rupees)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carry forward unabsorbed business loss	204,290	122,635
Provision for gratuity	1,806	1,503
Difference between tax and book value of property, plant and equipment and intangible assets	8,634	9,662
Deferred tax assets (net)	214,730	133,800

The Company has not recognised deferred tax asset in respect of carried forward unabsorbed business loss. The aforesaid tax losses will lapse in subsequent years as follows:

(in 000' Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Within 0 - 5 years	89,098	-
From 5 - 8 years	603,200	412,505
Indefinite	119,406	74,762

(31) Other Statutory Information

(1) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(32) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators.

The Company is engaged into business of AI based Business Intelligence platform which is single reportable business segment. Hence the Company's financial statements reflect the position for a reportable segment and no separate disclosure is required. The Company operates in India and hence there are no reportable geographical segments.

(33) Commitments and contingent liabilities

There are no contingent liabilities and commitments as of March 31, 2023 (March 31, 2022 - Nil)

(34) The Company has evaluated subsequent events from the balance sheet date to July 19, 2023, the date at which the financial statements were available to be issued and determined that there are no other material items to disclose except for as mentioned in Note 2.1.




Cuddle Artificial Intelligence Private Limited
Notes to the Standalone financial statements as at and for the year ended March 31, 2023

(35) The financial statements were authorised for issue by the Company's Board of directors on July 19, 2023.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

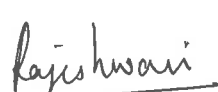


Rajesh Mehra
Partner
Membership number : 103145

Place: Mumbai
Date: July 19, 2023

For and on behalf of the Board of Directors of
Cuddle Artificial Intelligence Private Limited

CIN: U74999MH2016PTC283206



Rajeshwari Aradhyula
Director
DIN: 09337789

Place: Mumbai
Date: July 19, 2023



Natwar Mall
Director
DIN: 01995085

Place: Mumbai
Date: July 19, 2023



Somya Agarwal
Company Secretary
ACS No. A17336

Place: Mumbai
Date: July 19, 2023