

Nisarg J Shah & Co.

Chartered Accountants

Office Address: 35F Ratnam, C.G. Road,
Ahmedabad: 380006

Phone: 07926462476
Email: info@njshah.com

INDEPENDENT AUDITOR'S REPORT

To The Members of Senseforth AI Research Private Limited Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 35 of the financial statements, which describes that the Board of Directors of the Company, vide resolution dated December 16, 2024, approved a Scheme of Merger involving Cuddle Artificial Intelligence Private Limited, Final Mile Consultants Private Limited, Neal Analytics Services Private Limited, Theremin AI Solutions Private Limited, Fractal Alpha Private Limited and Eugenie Technologies Private Limited with Senseforth AI Research Private Limited, in accordance with Sections 230 to 232 of the Companies Act, 2013. Pursuant to the said resolution, an application has been filed with the Hon'ble National Company Law Tribunal (NCLT) seeking approval of the Scheme. As of the date of approval of these financial statements, the matter is pending before the NCLT for consideration. Pursuant to the above decisions, its fellow subsidiaries entities will be merged with senseforth AI Research Private Limited on a going concern basis. Hence, no adjustments have been made to the carrying values of the assets and liabilities.

Our opinion is not modified in this matter.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Board Report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express



any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under



Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) Reporting on the adequacy of Internal Financial Control of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act was not applicable to the company during the audit period ended March 31, 2025 in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.
- g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company during the year ended and as at March 31, 2025, section 197 of the Act related to the managerial remuneration is not applicable.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact on its financial position;
 - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such 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 (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination, which included test checks, and considering the reports of independent auditors regarding controls at the service organizations providing accounting software, we note that, except for the instances detailed below, the Company has utilized accounting software to maintain its books of account. These systems, along with privilege access management tools (where applicable), include an audit trail (edit log) feature, which was operational throughout the year for all relevant transactions recorded in the respective software:
 - i. For the accounting software used for maintaining the general ledger, audit trail was not enabled at the application level for certain transaction and master data tables during the period from 1 April 2024 to 3 December 2024. Furthermore, in the absence of a change log over the audit trail feature at the application level, we are unable to confirm whether the audit trail feature was enabled during this period.
 - ii. At the database level, in relation to an accounting software used for maintaining the general ledger that is operated by a third-party software service provider, we did not have access to an independent auditor's report on the service organization's controls. Accordingly, we are unable to comment on whether the audit trail feature was enabled and functioned throughout the year at the database level for all relevant transactions.
 - iii. With regard to the software used for maintaining payroll master, the independent auditor's report of the service organization was available only for the period up to 30 September 2024 and did not provide adequate information on compliance with audit trail requirements. Additionally, the report for the remaining period was not available. Hence, we are unable to comment on whether the audit trail feature was enabled and functioned throughout the year for all relevant transactions.

Further, in instances where the audit trail (edit log) feature was enabled and operational, we did not observe any evidence of tampering with the audit trail.

Lastly, as the audit trail feature was not enabled in the previous year, we are unable to comment on the Company's compliance with statutory requirements relating to the preservation of audit trails for that period.

For Nisarg J Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 128310W

N. J. Shah

per Nisarg Shah
Partner
Membership Number: 126381
UDIN: 25126381BMOHGT4015



Place of Signature: Ahmedabad
Date: May 12, 2025

Annexure 1 referred to in paragraph (1) under Report on Other Legal and Regulatory Requirements of our audit report of even date

Re: Senseforth AI Research Private Limited (the "Company")

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering data analytics services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investments or not provided any guarantee or given loans or advances in the nature of loan during the year to companies, firms, Limited Liability Partnerships or any other entities. Consequently, the requirement of clause (iii)(a) to clause (iii)(f) of paragraph 3 of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed



statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute except as below:

Name of the Statute	Nature of the dues	Amount (in INR in thousands)	Paid/adjusted under protest	Period for which the under protest amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	TDS (24Q)	209.66	-	Sep-24	CIT Appeal	-
Income tax Act, 1961	TDS (26Q)	8.99	-	Sep-24	CIT Appeal	-
Income tax Act, 1961	TDS (27Q)	3.48	-	Sep-24	CIT Appeal	-

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not raise any funds during the year, hence the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year, hence the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.



- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses of INR 86,785 thousand in the current financial year and INR 65,571 thousand in the previous financial year.



- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 30 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) & clause 3(xx)(b) of the Order is not applicable to the Company.

For Nisarg J Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 128310W

N. J. Shah

per Nisarg Shah
Partner

Membership Number: 126381
UDIN: 25126381BMOHGT4015



Place of Signature: Ahmedabad
Date: May 12, 2025

Senseforth AI Research Private Limited**Balance Sheet as at March 31, 2025**

(All amounts are in Rs '000; unless stated otherwise)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	(3)	-	204
(b) Other intangible assets	(4)	-	33,758
(c) Intangible assets under development	(4.1)	-	2,868
(d) Income tax assets (net)		12,500	9,053
Total non-current assets		12,500	45,883
(B) Current assets			
(a) Financial assets			
(i) Investments	(5)	-	40,632
(ii) Trade receivables	(6)	2,375	28,005
(iii) Cash and cash equivalents	(7a)	26,336	7,364
(iv) Bank balances other than (iii) above	(7b)	3,172	3,172
(v) Other financial assets	(8)	48	81
(b) Other current assets	(9)	4,850	6,927
Total current assets		36,781	86,181
Total assets		49,281	1,32,064
EQUITY AND LIABILITIES			
(A) Equity			
(a) Share capital	(10)	1,000	1,000
(b) Other equity	(11)	(2,13,107)	(2,65,661)
Total equity		(2,12,107)	(2,64,661)
(B) Liabilities			
(I) Non-current liabilities			
(a) Provisions	(16)	5,286	10,435
Total non-current liabilities		5,286	10,435
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	(12)	1,80,000	2,36,000
(ii) Trade payables	(13)		
- Total outstanding dues of micro enterprise and small		180	135
- Total outstanding dues of creditors other than micro enterprises and small enterprises		44,577	13,144
(iii) Other financial liabilities	(14)	29,600	86,182
(b) Other current liabilities	(15)	1,652	50,610
(c) Provisions	(16)	93	219
Total current liabilities		2,56,102	3,86,290
Total liabilities		2,61,388	3,96,725
Total Equity and Liabilities		49,281	1,32,064

Material accounting policies

1 - 2

The accompanying notes from 3 to 39 form an integral part of the interim financial statements.

As per our report of even date attached.

For Nisarg J Shah & Co

Chartered Accountants

Firm's Registration Number: 128310W

*N. J. Shah***Nisarg Shah**

Partner

Membership Number: 126381



For and on behalf of the Board of Directors of

Senseforth AI Research Private Limited

CIN: U72900MH2017PTC436180

Ajoy Singh

Director

DIN : 09284981

Sridhar Marri

Director

DIN : 05168163

Ahmedabad

Date: May 12, 2025

Mumbai

Date: May 12, 2025

Mumbai

Date: May 12, 2025

Senseforth AI Research Private Limited
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts are in Rs '000; unless stated otherwise)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
(1) Income			
(a) Revenue from operations	(17)	9,381	1,57,758
(b) Other income	(18)	60,868	14,407
Total income		70,249	1,72,165
(2) Expenses			
(a) Employee benefits expense	(19)	95,335	2,19,021
(b) Finance costs	(20)	22,267	13,918
(c) Depreciation and amortization expense	(21)	3,478	8,370
(d) Other expenses	(22)	26,811	25,019
Total expenses		1,47,891	2,66,328
(3) (Loss) before exceptional items and tax (1-2)		(77,642)	(94,163)
(4) Exceptional Items	(22.2)	57,255	-
(5) (Loss) before tax (3-4)		(1,34,897)	(94,163)
(6) Tax expense	(33)		
(a) Current Tax			
- For the year		6,312	-
(b) Deferred tax charge		-	-
Total tax expense charge		6,312	-
(7) (Loss) for the year		(1,41,209)	(94,163)
(8) Other comprehensive income			
(1) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined employee benefit plans	(24)	160	3,032
(b) Income tax on item (a) above		-	-
Total other comprehensive income		160	3,032
(9) Total comprehensive (loss) for the year		(1,41,049)	(91,131)
Earnings per share (Rupees per share)	(32)		
Face value of Rs 1 each			
(1) Basic EPS		(1,412)	(942)
(2) Diluted EPS		(1,412)	(942)

Material accounting policies

1 - 2

The accompanying notes from 3 to 39 form an integral part of the interim financial statements.

As per our report of even date attached.

For Nisarg J Shah & Co

Chartered Accountants

Firm's Registration Number: 128310W

Nisarg J Shah

Nisarg Shah

Date: May 12, 2025

Membership Number: 126381

Ahmedabad

Date: May 12, 2025



For and on behalf of the Board of Directors of

Senseforth AI Research Private Limited

CIN: U72900MH2017PTC436180

Ajoy Singh

Ajoy Singh

Director

DIN : 09284981

Mumbai

Date: May 12, 2025

Sridhar Marri

Sridhar Marri

Director

DIN : 05168163

Mumbai

Date: May 12, 2025

Senseforth AI Research Private Limited
Statement of Cash flows for the year ended March 31, 2025
(All amounts are in Rs '000; unless stated otherwise)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Cash flows from operating activities		
(Loss) before tax	(1,34,897)	(94,163)
Adjustment for:		
Depreciation	204	414
Amortization	3,274	7,956
Sundry balances written back	(32,679)	(12,929)
Gain transfer of business under slump sale (Refer note 32)	(26,590)	-
Gain on redemption of mutual funds	901	(632)
Interest on bank deposits	183	(508)
Employee stock option expense	4,845	19,213
Interest expense	22,267	13,868
Provision for impairment (Refer note 22.2)	57,255	-
Unrealised foreign exchange gain / loss	(742)	70
Operating cash flow before working capital changes	(1,05,979)	(66,711)
Adjustment for changes in working capital:		
(Increase) / Decrease in trade receivables	(12,807)	27,188
Decrease in other financial assets	33	371
Decrease / (Increase) in other current assets	983	(1,309)
Increase / (Decrease) in trade payables	82,292	(11,066)
Increase in other current financial liabilities	23,595	18,519
Increase in provisions	2,112	2,680
(Decrease) / Increase in other current liabilities	(3,775)	2,140
Cash (used in) operations	(13,546)	(28,188)
Tax paid (net of refunds)	(9,759)	(3,123)
Net cash flow (used in) operating activities	(23,305)	(31,310)
(B) Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(23,903)	(33,600)
Investment in fixed deposits (net)	-	(398)
Interest received on fixed deposit	(183)	508
Purchase of Mutual Fund Investments	(902)	(40,000)
Net cash flow used in investing activities	(24,988)	(73,490)
(C) Cash flow from financing activities		
Interest paid during the year	(22,267)	(13,868)
Loan received	96,896	1,20,073
Net cash flow generated from financing activities	74,629	1,06,205
Net increase in cash and cash equivalents (A+B+C)	26,336	1,406
Cash and cash equivalents at the beginning of the year	7,364	5,958
Cash and cash equivalents transferred under slump sale (Refer note 32)	(7,364)	-
Cash and cash equivalents at the end of the year	26,336	7,364
Cash and cash equivalents comprise of:		
In current accounts	26,336	7,364
Total cash and cash equivalents	26,336	7,364

1. The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

2. Purchase of property, plant and equipment and intangibles are shown inclusive of movements in Intangible asset under development.

3. Details of borrowings

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning	2,36,000	1,16,000
Cash movement	96,896	1,20,000
Sundry balances written back	(1,52,896)	-
Balance at the end	1,80,000	2,36,000

Material accounting policies

1 - 2

The accompanying notes from 3 to 39 form an integral part of the interim financial statements.

As per our report of even date attached.

For Nisarg J Shah & Co
Chartered Accountants
Firm's Registration Number: 128310W

N. J. Shah

Nisarg Shah
Partner
Membership Number: 126381

Ahmedabad
Date: May 12, 2025



For and on behalf of the Board of Directors of
Senseforth AI Research Private Limited
CIN: U72900MH2017PTC436180

Ajoy Singh
Ajoy Singh
Director
DIN : 09284981

Mumbai
Date: May 12, 2025

Sridhar Marri
Sridhar Marri
Director
DIN : 05168163

Mumbai
Date: May 12, 2025

Senseforth AI Research Private Limited
Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are in Rs '000; unless stated otherwise)

(A) Equity share capital

Particulars	Amount
Balance as at April 01, 2024	1,000
Changes in equity share capital	-
Balance as at March 31, 2025	1,000
Balance as at April 01, 2023	1,000
Changes in equity share capital	-
Balance as at March 31, 2024	1,000

(B) Other equity

Particulars	Reserve and Surplus		Deemed Contribution from Parent	Items of other comprehensive income	Total attributable to owners of the Company
	Employee stock option reserve	Retained earnings		Remeasurment of defined benefit plans	
Balance as at April 01, 2024	65,178	(3,30,721)	-	(118)	(2,65,661)
Employee stock option expense	4,845	-	-	-	4,845
Remeasurement of defined employee benefits, net of tax	-	-	-	160	160
Deemed contribution from parent	-	-	1,88,758	-	1,88,758
Profit for the year	-	(1,41,209)	-	-	(1,41,209)
Balance as at March 31, 2025	70,023	(4,71,930)	1,88,758	42	(2,13,107)
Balance as at April 01, 2023	45,965	(2,36,558)	-	(3,150)	(1,93,743)
Employee stock option expense	19,213	-	-	-	19,213
Remeasurement of defined employee benefits, net of tax	-	-	-	3,032	3,032
(Loss) for the year	-	(94,163)	-	-	(94,163)
Balance as at March 31, 2024	65,178	(3,30,721)	-	(118)	(2,65,661)

Nature and purpose of reserves

(a) Employee stock option reserve: This relates to stock options granted by the parent to its employees under an Employee stock options plan.

(b) Retained earnings: Retained earnings are the profits that the Group has earned till date net of appropriations.

(c) Deemed Contribution from parent : On account of borrowing and interest no longer payable to parent entity.

Material accounting policies

1 - 2

The accompanying notes from 3 to 39 form an integral part of the interim financial statements.

As per our report of even date attached.

For Nisarg J Shah & Co

Chartered Accountants

Firm's Registration Number: 128310W

Nisarg Shah

Partner

Membership Number: 126381

Ahmedabad

Date: May 12, 2025



For and on behalf of the Board of Directors of

Senseforth AI Research Private Limited

CIN: U72900MH2017PTC436180

Ajoy Singh

Director

DIN : 09284981

Mumbai

Date: May 12, 2025

Sridhar Marri

Director

DIN : 05168163

Mumbai

Date: May 12, 2025

Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

1. Corporate Information

Senseforth AI Research Private Limited ('the Company') is a private limited company, incorporated and domiciled in India and is the leading provider of consultancy in the field of holistic Conversational AI solutions to help modern enterprises address key business challenges related to customer acquisition, retention and support. The registered office of the Company is located at 4th floor, Indiqube Hexa, 218, 9th Main Rd, Sector 6, HSR Layout, Bengaluru, Karnataka 560102.

2. Material accounting policies

2.1 Basis of Preparation

The financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention and on accrual basis of accounting unless stated otherwise. GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (the 'Act'), pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied to all the years presented.

In the Board of Directors meeting held on May 12, 2025, the Board has approved to issue these Ind AS financial statement to shareholders of the Company.

The financial Statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and Employee's Defined Benefit Plan as per actuarial valuation.

The 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.

2.2 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non refundable taxes and duties and directly attributable costs of bringing the asset to its present location and condition.

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

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

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.

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.



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

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. Estimated useful life of assets is as follows:

Description of assets	Useful life of assets
Office equipment	3 -5 years
Computers	3 – 6 years

Property, plant and equipment each costing less than Rs. 5,000/- are depreciated fully in the year of acquisition.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

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



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

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 financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These 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 recognised 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 recognised 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 transaction.

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 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



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

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.

Income from Services

Revenue related to fixed price retainership contracts is recognised based on time elapsed mode and is recognised on a straight line basis over the period of contract.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with efforts incurred determining the degree of completion of the performance obligation.

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

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.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change.

In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest income

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 financial statements of the Company under 'Deemed investment in subsidiary' with corresponding credit being recorded in



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

Employees stock options outstanding account under 'Reserves and Surplus - Employee stock option reserve'.

2.8 Employee benefits

Defined contribution plans

The Company's contribution to Provident fund and Labour Welfare 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 recognised 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 recognised 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 recognised during the year when the employees render the service. These benefits include performance incentive and bonus 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 recognised on temporary differences between the carrying amounts of assets and liabilities in the financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised 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 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.

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.

Current and deferred tax

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.

Tax law determines which deductions are offset against taxable income in determining taxable profits. No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

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 amortised 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.



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

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.

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



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

				recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through 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.	At fair value. Transaction costs of financial assets expensed to income statement	Changes in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.
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	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in fair value of such instruments 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.



Senseforth AI Research Private Limited
Notes to the Financial Statements for the year ended March 31, 2025

		recognition and is irrevocable.		
	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	Change in fair value of such assets are recorded in income statement.

(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 amortised 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) Derecognition of financial assets:

A financial asset is derecognised 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 derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognised 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 recognised 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 its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(b) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised 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 amortised cost
- at fair value through profit or loss (FVTPL)

(i) Financial liabilities at amortised cost:

The Company is classifying the following under amortised cost;

- Borrowings from banks
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation 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, recognised in profit or loss. The net gain or loss recognised 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 recognised 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
- 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 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 — 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.

2.12 Provisions and Contingencies

Provisions are recognised 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 recognised 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 recognised as interest expense.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the 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 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.

2.14 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 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.

2.16 Current/ Non-current classification:

An asset 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 the 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.



2.17 Significant accounting estimates, judgements and assumptions:

The preparation of the Company's 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 financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised 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 recognised in the 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 is determined using actuarial valuation. 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 assumptions 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.



Senseforth AI Research Private Limited**Notes to the Financial Statements for the year ended March 31, 2025**

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.

2.18 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(3) Property, plant and equipment**

Particulars	Computers and accessories	Total
Gross carrying amount		
As at April 01, 2024	698	698
Additions	-	-
As at March 31, 2025	698	698
Accumulated depreciation		
As at April 01, 2024	494	494
Charge for the year	204	204
As at March 31, 2025	698	698
Net carrying amount as at March 31, 2025	-	-
Gross carrying amount		
As at April 01, 2023	516	516
Additions	182	182
As at March 31, 2024	698	698
Accumulated depreciation		
As at April 01, 2023	80	80
Charge for the year	414	414
As at March 31, 2024	494	494
Net carrying amount as at March 31, 2024	204	204

(This space has been intentionally left blank)

Senseforth AI Research Private Limited

Notes to the financial statements as at and for the year ended March 31, 2025

(All amounts are in Rs '000; unless stated otherwise)

(4) Intangible assets

Particulars	Internally generated intangible assets	Total
Gross carrying amount		
As at April 01, 2024	42,361	42,361
Additions	-	-
Disposals	-	-
Provision for impairment (Refer below Note)	(42,361)	(42,361)
As at March 31, 2025	-	-
Accumulated amortization		
As at April 01, 2024	8,603	8,603
Charge for the year	3,274	3,274
Provision for impairment	(11,877)	(11,877)
As at March 31, 2025	-	-
Net carrying amount as at March 31, 2025	-	-
Gross carrying amount		
As at April 01, 2023	8,565	8,565
Additions	33,796	33,796
As at March 31, 2024	42,361	42,361
Accumulated amortization		
As at April 01, 2023	647	647
Charge for the year	7,956	7,956
As at March 31, 2024	8,603	8,603
Net carrying amount as at March 31, 2024	33,758	33,758

(4.1) Intangible Assets Under Development (IAUD)

Particulars	Amount
Gross carrying amount	
As at April 01, 2024	2,868
Additions	23,903
Less: Capitalisation	-
Less: Provision for impairment (Refer below Note)	(26,771)
As at March 31, 2025	-
Gross carrying amount	
As at April 01, 2023	3,247
Additions	33,418
Less: Capitalisation	(33,796)
As at March 31, 2024	2,868

IAUD comprise products which are under development

Ageing of Projects in progress

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025	-	-	-	-	-
As at March 31, 2024	2,868	-	-	-	2,868

Note : As stated in Note 2.2, based on the evaluation done by the management as at March 31, 2025, the entity does not foresee commercial operation in near future date, leading to intangible asset and intangible asset under development's recoverable amount to be below its carrying amount and hence 100% impairment provisioning is recognised.



Senseforth AI Research Private Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs '000; unless stated otherwise)
(5) Other investments (Current)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in quoted mutual funds units carried at fair value through profit and loss		
Kotak Liquid Fund (Units: Nil) [March 2024: Units:8,327.911]	-	40,632
Total current investments	-	40,632
Aggregate carrying amount of quoted investments	-	40,632

(6) Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured		
- Unsecured considered good		
- Others	2,198	23,615
- Related Parties (Refer note 25)	-	3,716
- Unbilled receivables		
- Others	170	55
- Related Parties (Refer note 25)	7	619
Current trade receivables	2,375	28,005

Ageing of Trade receivables
As at March 31, 2025

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	-	826	1,372	-	-	-	2,198
	-	826	1,372	-	-	-	2,198
Unbilled							177
Total							2,375

As at March 31, 2024

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	20,275	6,190	866	-	-	-	27,331
	20,275	6,190	866	-	-	-	27,331
Unbilled							674
Total							28,005

(7a) Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with banks		
In current accounts	26,336	7,364
Total cash and cash equivalents	26,336	7,364

(7b) Bank balance other than above

Particulars	As at March 31, 2025	As at March 31, 2024
Bank Deposits (Lien against guarantee)	3,172	3,172
Total other bank balances	3,172	3,172



Senseforth AI Research Private Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs '000; unless stated otherwise)
(8) Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Current financial assets		
Security deposit	24	24
Other Receivable	24	57
Total current financial assets	48	81

(9) Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Current assets		
Prepaid expenses	298	734
Advances to vendors and others	176	1,728
Balance with government authorities*	3,662	-
Contract Assets	714	4,465
Total current assets	4,850	6,927

* includes goods and service tax

(10) Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
100,000 [March 31, 2024: 100,000] equity shares of Rs.10 each	1,000	1,000
	1,000	1,000
Issued, subscribed and fully paid up		
100,000 [March 31, 2024: 100,000] equity shares of Rs.10 each	1,000	1,000
	1,000	1,000

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	1,00,000	1,000	1,00,000	1,000
At the end of the year	1,00,000	1,000	1,00,000	1,000

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	% 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 Limited (formerly known as Fractal Analytics Private Limited) (including nominee)	100.00%	1,00,000	100.00%	1,00,000

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

The Company has one class of equity shares having a par value of Rs 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

(d) There were no shares allotted pursuant to contract without payment being received in cash or as fully paid up by way of bonus shares or any shares bought back.

(e) No dividend is declared by the Company during the years ended March 31, 2025 and March 31, 2024.



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(11) Other equity**

Particulars	As at March 31, 2025	As at March 31, 2024
Employee stock option reserve	70,023	65,178
Other comprehensive income	42	(118)
Deemed Contribution from Parent (Refer note 25)	1,88,758	-
Retained earnings	(4,71,930)	(3,30,721)
Total other equity	(2,13,107)	(2,65,661)

For movements during the year, refer Statement of Changes in Equity.

(12) Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Current borrowings		
Inter Company Borrowing (Refer note 25) #	1,80,000	2,36,000
Total current borrowings	1,80,000	2,36,000

The Company has obtained unsecured intercorporate loan from Fractal Analytics Limited, holding company which is repayable on demand. This loan carries interest of 7.39% p.a. During the year, a portion of loan was written off and treated as deemed contribution from parent (Refer note 25).

(13) Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
- Total outstanding dues of micro enterprise and small enterprises	180	135
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	1,259	1,598
- Related parties (Refer note 25)	43,318	11,546
Total trade payables	44,757	13,279

Dues of micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required related to MSME. On the basis of the information and records available with the Group, following are the details of dues:

- the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	180	135
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
- the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	180	135



Senseforth AI Research Private Limited
Notes to the financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs '000; unless stated otherwise)
Ageing of Trade payables
As at March 31, 2025

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	1,123	13,520	-	-	-	14,643
	1,123	13,520	-	-	-	14,643
Accrued Expenses						30,114
Total						44,757

As at March 31, 2024

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	-	10,533	-	-	-	10,533
	-	10,533	-	-	-	10,533
Accrued Expenses						2,746
Total						13,279

(14) Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current financial liabilities		
Employee related expenses payable	29,600	70,321
Interest Accrued but not due (Refer note 25)	-	15,861
Total current financial liabilities	29,600	86,182

(15) Other liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current liabilities		
Unearned revenue	50	6,432
Advance from customer (Refer note 25)	-	36,642
Statutory dues payable*	1,602	7,536
Total current liabilities	1,652	50,610

* Includes tax deducted at sources, provident fund payable, professional fees, professional taxes

(16) Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current provisions		
Gratuity (Refer note 24)	5,286	10,435
Total non-current provisions	5,286	10,435
Current provisions		
Gratuity (Refer note 24)	93	219
Total current provisions	93	219



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)*

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(17) Revenue from operations		
Sale of services (Refer note 23)	9,381	1,57,758
Total Revenue from operations	9,381	1,57,758
(18) Other income		
Interest on :		
- bank deposits	183	508
- income tax refund	497	-
Sundry balances written back	32,679	12,929
Foreign exchange gain, net	15	-
Miscellaneous income	3	338
Gain on transfer of business under slump sale (Refer note 31)	26,590	-
Gain on redemption of financial instruments	901	632
Total other income	60,868	14,407
(19) Employee benefits expense		
Salaries, wages and bonus	84,757	1,91,331
Contribution to provident funds (Refer note 24)	1,929	3,008
Gratuity (Refer note 24)	2,112	2,724
Employee stock option expense (Refer note 27)	4,845	19,213
Staff welfare expense	1,692	2,745
Total employee benefits expense	95,335	2,19,021
(20) Finance costs		
Interest on :		
- others	40	50
- intercompany loan	22,227	13,868
Total finance costs	22,267	13,918
(21) Depreciation and amortization expense		
Depreciation on property, plant and equipment (Refer note 3)	204	414
Amortisation on Intangible assets (Refer note 4)	3,274	7,956
Total depreciation and amortization expense	3,478	8,370
(22) Other expenses		
Legal and professional fees	2,249	2,946
Software maintenance charges	3,308	4,086
Communication	12,011	8,654
Travelling and conveyance	1,276	1,929
Contractor expenses	-	153
Foreign exchange loss, net	-	1,020
Advertising and publicity expense	4,401	1,427
Cost of delivery exps - intercompany (Refer note 25)	1,263	1,152
Rent, rates and taxes	340	2,171
Provision for doubtful advances	1,072	-
Payment to Auditors (Refer note 22.1 below)	200	150
Miscellaneous expenses	691	1,331
Total other expenses	26,811	25,019
(22.1) Payment to Statutory Auditors		
For Statutory audit fees	200	150
For Other Services	34	-
	234	150
(22.2) Exceptional Items		
Provision for impairment in value of intangible assets (Refer note 4)	30,484	-
Provision for impairment in value intangible assets under development (Refer note 4.1)	26,771	-
	57,255	-



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(23) Revenue from contracts with customers**

The Group disaggregates revenue from contracts with customers by nature of services.

Revenue disaggregation by nature of services is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
License fee/Subscriptions income	9,381	1,57,758
Total	9,381	1,57,758

The billing schedules agreed with customers include periodic performance-based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Group has applied practical expedient as per paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Contract Balances

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	4,465	7,521
Revenue recognized during the year	6,114	73,046
Invoices raised during the year	(8,044)	(76,102)
Transfer under slump sale	(2,284)	-
Balance at the end of the year	251	4,465

Changes in unearned and deferred revenue are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	6,432	10,487
Revenue recognized that was included in the unearned and deferred revenue balance at the beginning of the year	(14)	(1,329)
Decrease due to invoicing during the year, excluding amounts recognized as revenue during the year	(1,549)	(2,727)
Transfer under slump sale	(4,819)	-
Balance at the end of the year	50	6,432

Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contracted price	9,381	1,57,758
Reductions towards variable consideration components	-	-
Revenue recognized	9,381	1,57,758

Note : Variable consideration includes volume discount / service credit to customers.



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(24) Employee benefits**

The Group contributes to the following post-employment defined contribution plan and defined benefit plans in India.

(a) Defined contribution plan

The Group entities in India have 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 Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to provident fund	1,929	3,008

Included in 'Contribution to provident funds' under employee benefits expense (Refer Note 19)

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

The Group entities in India provide for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years 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 gratuity plan is a funded plan with respect to Parent Company.

Key assumptions used for actuarial valuation by an Independent actuary under the Projected Unit Cost Method are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	6.80%	7.15%
Future salary increases	9.00%	9.00%
Expected return on plan assets	0.00%	0.00%
Attrition rate		
<u>Based on Completed Years of service</u>		
Up to 2 years	7.00%	10.00%
3 - 4 years	10.00%	6.00%
Above 4 years	2.00%	2.00%
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.

3. Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

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

Change in the present value of obligation	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of obligation at the beginning of the year	10,654	11,006
Interest cost	761	827
Current service cost	1,351	1,897
Benefits paid	-	(44)
Remeasurement due to		
Actuarial loss/(gain) arising from change in financial assumptions	227	(215)
Actuarial loss/(gain) arising on account of experience changes	(301)	(2,786)
Actuarial (gain)/loss arising on account of demographical assumptions	(86)	(30)
Transfer on slump sale	(7,228)	-
Present value of obligation at the end of the year	5,379	10,654
- obligation with unfunded plan	5,379	10,654



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***b. The amounts recognised in the balance sheet over the year are as follows :**

Reconciliation of present value of defined benefit obligation and the fair value of assets	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of unfunded obligation at the end of the year	5,379	10,654
Net deficit	5,379	10,654

c. Amount recognised in the statement of profit and loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	1,351	1,897
Interest cost	761	827
Total expense recognized in the statement of profit and loss	2,112	2,724

d. Amount recognised in other comprehensive income	For the year ended March 31, 2025	For the year ended March 31, 2024
Remeasurements during the year due to		
Changes in financial assumptions	227	(215)
Changes in demographic assumptions	(86)	(30)
Experience adjustments	(301)	(2,786)
Amount recognised in other comprehensive income during the year	(160)	(3,032)

e. Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate +100 basis points	6,123	9,151
Discount rate -100 basis points	(4,778)	(12,555)
Salary increase rate +100 basis points	4,973	11,490
Salary increase rate -100 basis points	(5,820)	(9,813)

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. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous year.

f. Expected future benefit payments on undiscounted basis

Expected cash flows for following year	For the year ended March 31, 2025	For the year ended March 31, 2024
Expected total benefit payments in next		
1 year	93	219
Year 2 - 5 years	2,372	2,732
6 - 10 years	564	1,714
More than 10 years	13,789	41,060



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(25) Related party transactions****(a) Related parties**

Sr. No	Name of the party	Nature of relationship
1	Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	Holding Company
2	Fractal Analytics Inc.	Fellow subsidiary
3	Fractal Analytics UK Ltd.	Fellow subsidiary
4	Fractal Analytics Australia Pty Ltd.	Fellow subsidiary
5	Senseforth Inc	Fellow subsidiary

(b) Key managerial personnel

Sr. No	Particulars	Nature of relationship
1	Sridhar Marri	Whole-time Director
2	Ajoy Singh *	Non- Executive Director
3	Sandeep Dutta *	Non- Executive Director

* not drawing remuneration from the Company.

(c) Transactions and balances

Sr. No	Nature of Transaction	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Service revenue Senseforth Inc Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) Fractal Analytics UK Ltd. Fractal Analytics Australia Pty Ltd.	117 6,049 - -	45,534 12,931 4,012 18,013
2	Service revenue reversal Fractal Analytics Inc.	-	1,046
3	Licensing Fee Senseforth Inc	-	1,152
4	Cost of Delivery Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) Senseforth, Inc	9,141 5	- -
5	Remuneration to Director Shridhar Marri	41,083	41,083
6	Reimbursement of expenses to Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) Fractal Analytics Inc.	7,136 14,427	5,098 -
7	Reimbursement of expenses from Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	563	-
8	Allocation of shared expenses Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	-	9,590
9	ESOP compensation expenses Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	4,845	19,213
10	Loan taken Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	96,896	1,20,000



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)*

Sr. No	Nature of Transaction (continued)	For the year ended March 31, 2025	For the year ended March 31, 2024
11	Interest expense Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	22,227	13,868
12	Consideration receivable on account of business transfer Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	100	-
13	Sundry Balances written back Senseforth Inc Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	- 32,679	12,929 -
14	Deemed contribution from parent Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	1,88,758	-

Sr. No	Balances	As at March 31, 2025	As at March 31, 2024
1	Trade Payable (including provision for expense) Fractal Analytics UK Ltd. Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) Fractal Analytics Inc. Senseforth Inc	- 28,732 14,581 5	1,100 10,446 - -
2	Trade receivables (including unbilled revenue) Fractal Analytics Australia Pty Ltd. Senseforth Inc Fractal Analytics UK Ltd.	- 7 -	3,377 - 958
3	Advance from customers Senseforth Inc Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited) Fractal Analytics Inc.	- - -	35,496 96 1,050
4	Intercompany loan (including interest) Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	1,80,000	2,51,861
5	Deemed Contribution from Parent Fractal Analytics Limited (formerly known as Fractal Analytics Private Limited)	1,88,758	-

Key managerial personnel who are under the employment of the Parent Company are entitled to post employment benefits recognized as per Ind AS 19 - 'Employee Benefits' in the 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 entity as a whole and hence excluded.

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

Management believes that Company's international transaction with related parties post March 31, 2025 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 tax expense and that of provision of taxation for the year ended March 31, 2025.



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(26) Segment reporting****Business segment**

The business segments are reflected based on principal business activities carried on by the Company. The Company's businesses are as follows:

- 1) Senseforth segment provides advanced analytics services that helps companies leverage data driven insights in taking informed decisions.
- 2) Flyfish segment is focused on incubated and acquired products.

These segments are determined based on the internal organisation and management structure of the Company and its system of internal financial reporting. The Chief executive officer of the Company's Board of Directors have been identified as Chief Operating Decision Maker (CODM) who allocates the resources based on analysis of various performance indicators of the Company as disclosed for the above segment.

Geographical segment

The Company's operations are majorly based in India & Others.

Segment accounting policies

Segment accounting policies are in line with accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting :

- i) Segment revenue includes income directly identifiable with the segments.
- ii) Operating income is derived after deducting employee related expenses and other expenses of respective segments.
- iii) Expenses and Incomes that are directly identifiable with the segments are considered for determining the segment result. Expenses and Income which relate to the Group as a whole and not allocable to segments and which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocated".
- vi) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

Summarised segment information for the years ended March 31, 2025 and March 31, 2024 is as follows:**March 31, 2025**

During the year, the Company has transferred Senseforth segment to Fractal Analytics Limited ('Holding Company', "FAL") by way of slump sale, and accordingly the company operates in one single segment of Flyfish product. Hence there is no disclosure requirement as per Ind AS 108, Operating Segment. Also, Refer note 31.

March 31, 2024

Particulars	Senseforth	Flyfish	Unallocated	Total
Revenue from operations	1,55,075	2,683	-	1,57,758
Other income/(expense)	(1,65,921)	(65,183)	1,471	(2,29,633)
Finance cost	-	-	(13,918)	(13,918)
Depreciation and amortisation	-	(8,370)	-	(8,370)
Segment results	(10,846)	(70,870)	(12,447)	(94,163)

	March 31, 2024
Segment Asset	
Senseforth	78,066
Flyfish	41,693
Unallocated	12,305
	1,32,064
Segment Liabilities	
Senseforth	1,04,556
Flyfish	15,379
Unallocated	2,76,791
	3,96,726
Capital Employed	
Senseforth	(26,490)
Flyfish	26,314
Unallocated	(2,64,486)
	(2,64,661)



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025**

(All amounts are in Rs '000; unless stated otherwise)

Geographical disclosure

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows :

Country	For the year ended March 31, 2025	For the year ended March 31, 2024
India	9,265	91,245
Others	117	66,513
	9,382	1,57,758

Geographical non-current assets (comprising of property, plant and equipment, Other intangible assets, Intangible assets under development and income tax assets (net) are allocated based on the location of the assets:

Information regarding geographical non-current assets is as follows:

Country	As at March 31, 2025	As at March 31, 2024
India	12,500	45,883
Others	-	-
	12,500	45,883

Disclosure of top customer having sales more than 10% of the total revenues:

Customer	% of total sales	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Customer A	65%	68%
Customer B	19%	0%

(This space has been intentionally left blank)



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(27.1) Employee Stock Options Scheme (ESOP)**

The Company has granted stock option under it 'Fractal Employees Stock Option Plan' (ESOP) to its employees which 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 various employees from time to time during financial year 2021 to 2024. These options are vested over the period of 1-4 years from the grant date and exercisable within 10 years from vesting date for 2007 scheme and are exercisable within 10 years from the grant date for 2019 scheme. In the case of resignation of the employee, the vested grants lapse (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 employee compensation expense for the year has been determined on fair value basis.

For the year ended March 31, 2025

Particulars	2023-24	2024-25
	T-6	-
No. of Options granted	4,000	-
Exercise Price	2,270.00	-
Fair Value on Date of Grant of option (in Rs.)	914.87	-

Movement of Options Granted with Weighted Average Exercise Price (WAEP)

Particulars	As at March 31, 2025		As at March 31, 2024	
ESOPs	No. of options	WAEP	No. of options	WAEP
Options outstanding at beginning of the year	1,87,840	876	1,90,790	850
Options granted during the year	-	-	4,000	2,270
Options lapsed during the year	(100)	1,014	(5,100)	1,014
Transfer from other entity to Sensnforth AI Research Pvt Ltd	200	-	-	-
Transfer from Sensnforth AI Research Pvt Ltd to other entity	(1,13,548)	846	(1,800)	846
Options Cancelled during the year	-	-	-	-
Options exercised during the year	(50)	846	(50)	846
Options outstanding at the end of the year	74,342	923	1,87,840	876
Exercisable Options outstanding at the end of the year	49,655	875	28,368	-

The options granted under the above Scheme, shall vest in graded manner over a period of 1-4 years. Each option will entitle the participant to one equity share.

The weighted average fair values of the options granted during the year was Rs. Nil (As on March 31, 2024 is Rs. 914.87/-)

The weighted average stock price of the options granted during the year ended March 31, 2025 is Nil (As on March 31, 2024 is Rs. 2270/-).

Weighted average remaining contractual life (years) of the options based on the exercise price :

Exercise Price	846	2,270
No. of options outstanding	70,342	4,000
Weighted average remaining contractual life (in years)	6.52	8.71

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

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

Particulars	ESOP 2024-25	ESOP 2023-24
Risk Free Rate	5.56% - 7.37%	5.56% - 7.37%
Option Life	5 years	5 years
(Based on Simplified Average Method)		
Expected Volatility	19.19% - 39.76%	19.19% - 39.76%
Expected Growth in Dividend	0.00%	0%



(27.2) Employee Stock Options Scheme - Management Incentive Plan

The Company has granted stock option under its 'Employee Stock Option Plan (ESOP) Time/Performance Based Management Incentive Plan (MIP) 2019' to its management personnel which 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 various employees from time to time during financial year 2021 to 2024. These options are vested over the period of 3-4 years from the grant date, whereas performance based options will vest over satisfaction of milestones stipulated in performance based management plan. This MIPs are exercisable within 10 years from grant date. In the case of termination of the employment without cause or Resignation for good reason of the management personnel, the vested grant lapses (if not exercised) after 3 months 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.

For the year ended March 31, 2025

Particulars	2023-2024	2024-2025
	Time Based	Performance Based
	T-1	P-1
No. of Options granted	-	-
Exercise Price	-	-
Fair Value on Date of Grant of option (in Rs.)	-	-

Movement of Options Granted with Weighted Average Exercise Price (WAEP)

Type of MSOPs	As at March 31, 2025				As at March 31, 2024			
	Time Based		Performance Based		Time Based		Performance Based	
Particulars	No. of options	WAEP	No. of options	WAEP	No. of options	WAEP	No. of options	WAEP
MSOPs								
Options outstanding at the beginning of the year	-	846	-	846	4,140	846	8,360	846
Options granted during the year	-	-	-	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-	-	-	-
Transfer from Sensforth AI Research Pvt Ltd to other entity	-	-	-	-	(4,140)	846	(8,360)	846
Options exercised during the year	-	-	-	-	-	-	-	-
Options outstanding at the end of the year	-	-	-	-	-	846	-	846

The options granted under the above Scheme, shall vest in graded manner over a period of 4 years. These options would be exercisable at any time within a period of over 9 years from each vesting date. Each option will entitle the participant to one equity share.

The weighted average fair values of the options granted during the year was Rs. NIL. (As on 31st March 2024 Rs. NIL/-)

The weighted average stock price of the options granted during the year ended March 31, 2025 is Rs. NIL (As on 31st March 2024 Rs NIL/-)

Weighted average remaining contractual life (years) of the options based on the exercise price :

Exercise Price	846	2,270
No. of options outstanding	-	-
Weighted average remaining contractual life (in years)	-	-

The key assumptions for calculating fair value as on the date of grant under both the models:

Particulars	MSOP 2024-25	MSOP 2023-24
Risk Free Rate	6.53%	6.53%
Option Life (Based on Simplified Average Method)	5 years	5 years
Expected Volatility	39.76%	39.76%
Expected Growth in Dividend	0%	0%

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expense arising from equity-settled share-based payment transactions	4,845	19,213
Total	4,845	19,213



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(28) Fair value measurement****Fair value hierarchy**

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs 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, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities.

Fair value through profit and loss	Level	As at March 31, 2025	As at March 31, 2024
Assets			
Investments*	1	-	40,632
Total assets		-	40,632

* The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units.

Amortised cost	As at March 31, 2025	As at March 31, 2024
Assets		
Trade receivables	2,375	28,005
Cash and cash equivalents	26,336	7,364
Other bank balances	3,172	3,172
Other financial assets	48	81
Total assets	31,931	38,622
Liabilities		
Borrowings	1,80,000	2,36,000
Trade payables	44,757	13,279
Other financial liabilities	29,600	86,182
Total liabilities	2,54,357	3,35,461

Note: Carrying amounts of cash and cash equivalents, bank balances, loans, trade receivables, borrowings and trade payables as at March 31, 2025 and March 31, 2024 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the year presented.

Note:

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



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025**

(All amounts are in Rs '000; unless stated otherwise)

(29) Financial risk management framework

The Parent Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Additionally, the Board for each Group entity is responsible for developing and monitoring the risk management policies. The Board holds regular meetings on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 each Company's activities. The Group, 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.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and regular monitoring.
Liquidity risk	Trade payables and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit line and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.
Price risk	Investment in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents and other balances with banks. None of the financial instruments of the Company result in material concentration of credit risk.

Cash and cash equivalents

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



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***Trade and other receivables**

The Group'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 entity operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness. 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.

Investments

Investments primarily include investment in liquid mutual fund units with high credit ratings assigned by external credit rating agencies, accordingly the Group considers that the related credit risk is low.

Trade and Other Receivables	As at March 31, 2025	As at March 31, 2024
Not past due	177	20,949
past due but not impaired	2,198	7,056
Total	2,375	28,005

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The below table analyses the Group'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	Undiscounted amounts	
		<12months	>12months
As at March 31, 2025			
Non Derivative financial instruments			
Trade payables	44,757	44,757	-
Other financial liabilities	29,600	29,600	-
Borrowings	1,80,000	1,80,000	-
March 31, 2024			
Non Derivative financial instruments			
Trade payables	13,279	13,279	-
Other financial liabilities	86,182	86,182	-
Borrowings	2,36,000	2,36,000	-

(c) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – that will affect the Group'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 long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

(i) Currency risk

The Group 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. The Group ensures that the net exposure is kept to an acceptable level.



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***Exposure to currency risk**

The Group's exposure to foreign currency risk at the end of the reporting year expressed in INR, is as follows:

As at March 31, 2025

Particulars	USD	AUD	GBP
Financial assets			
Trade receivables (including unbilled receivables)	7	-	-
Net exposure to foreign currency (assets)	7	-	-
Financial liabilities			
Trade payables	14,586	-	-
Net exposure to foreign currency (liabilities)	14,586	-	-
Net exposure to foreign currency	(14,579)	-	-

As at March 31, 2024

Particulars	USD	AUD	GBP
Financial assets			
Trade receivables (including unbilled receivables)	-	3,377	-
Net exposure to foreign currency (assets)	-	3,377	-
Financial liabilities			
Trade payables	-	-	1,100
Net exposure to foreign currency (liabilities)	-	-	1,100
Net exposure to foreign currency	-	3,377	(1,100)

Sensitivity analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2025 and March 31, 2024 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

Particulars	Impact on profit after tax and equity	
	March 31, 2025	March 31, 2024
USD		
- Increase by 5%	(545)	-
- Decrease by 5%	545	-
AUD		
- Increase by 5%	-	126
- Decrease by 5%	-	(126)
GBP		
- Increase by 5%	-	(41)
- Decrease by 5%	-	41



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Exposure to interest rate risk

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group is exposed to interest rate risk on the borrowing outstanding in the books as at March 31, 2025 pursuant to movement in LIBOR. The interest reset period or the amortization schedule is not fixed under this credit facility and hence the same has not been hedged.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit after tax	
	March 31, 2025	March 31, 2024
Change in LIBOR		
- Increase by 1%	1,055	682
- Decrease by 1%	(1,055)	(682)

(iii). Capital risk management

The Group 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 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 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.

Net gearing ratio at the end of the reporting year is as follows:

Particulars	March 31, 2025	March 31, 2024
Borrowings	1,80,000	2,36,000
Less : Cash and cash equivalents	(26,336)	(7,364)
Less : Other bank balances	(3,172)	(3,172)
Less : Investment in liquid mutual funds	-	(40,632)
Net Debt (A)	1,50,493	1,84,832
Total Equity (B)	(2,12,107)	(2,64,661)
Net Gearing Ratio (A/B)	-71%	-70%



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025****(30) Ratio Analysis**

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.14	0.22	-35.63%	Refer Note 1
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(0.85)	(0.89)	-4.83%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(4.86)	(0.70)	594.88%	Refer Note 2
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.59	0.41	-44.48%	Refer Note 3
Inventory Turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales sales return	Average Trade Receivable	0.62	3.42	-81.94%	Refer Note 4
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.92	0.99	-6.67%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	(0.04)	(0.63)	-93.21%	Refer Note 4
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(15.05)	(0.60)	2421.77%	Refer Note 5
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	1.72	2.80	-38.40%	Refer Note 3
Return on Investment	Interest (Finance Income)	Investment	-	0.06	-100.00%	Refer Note 6

Notes

1. The ratio has declined due to decrease in current assets.
2. Variance is on account of increase in net losses adjusted for non cash items.
3. Variance is on account on negative network.
4. Variance is on account of decrease in sales during the year.
5. Variance is on account of profits during the year.
6. Ratio for current year can not be computed as there is no investment income.



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025****(All amounts are in Rs '000; unless stated otherwise)****(31) Slump Sale**

During the year, the Company's Board of Directors, on April 1, 2024, has approved the transfer of assets, liabilities, employees, patents, patent applications, trade names, trademarks, trademark registrations, service marks, service mark registrations, copyrights, trade secrets and similar intellectual property rights, regulatory approvals, permits, contracts and as may be identified by the Company by means of a business transfer from the Company to Fractal Analytics Limited ('Holding Company', "FAL"), by way of slump sale on a going concern basis. Accordingly, the Company vide business transfer agreement dated April 1, 2024, has transferred the below net assets on a going concern basis to FAL.

(a) The assets and liabilities transferred as part of the slump sale transaction are as below:

Particulars	As at April 01, 2024
Assets transferred	
Loan	7,364
Trade receivables	28,976
Investments	40,632
Other current assets	1,094
Total Assets (A)	78,066
Liabilities transferred	
Provision for Gratuity	7,228
Trade Payables	7,831
Other Financial Liabilities - Current	44,314
Other Liabilities - Current	45,183
Total Liabilities (B)	1,04,556
Net Assets transferred (A-B)	(26,490)
Consideration receivable	100
Gain on transfer of net assets under slump sale	26,590



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(32) Earnings per share**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss) attributable to the equity holders of Parent Company (in Rs '1000)	(1,41,209)	(94,163)
Weighted average number of equity shares (no's)	1,00,000	1,00,000
Earnings per share (in Rupees):		
- Basic	(1,412.09)	(941.63)
- Diluted	(1,412.09)	(941.63)
Face value per equity share (Rs.)	1.00	1.00

(33) Tax Expense**(a) Income tax expense**

This notes 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 tax position.

Income tax expense is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Profit and loss		
Current tax for the year	6,312	-
Deferred tax for the year	-	-
Total current tax expense	6,312	-

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss) before tax	(1,34,897)	(94,163)
Tax rate	25.17%	25.17%
Computed tax expense	(33,951)	(23,699)
Adjustments:		
Losses for which deferred tax asset is not recognised	34,123	23,699
Impact of different tax rate	6,039	-
Others	101	-
Tax expense	6,312	-

(c) Significant component of unrecognised deferred tax assets and liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Carry forward unabsorbed business loss	2,40,096	-
Potential tax benefit @ 25.17% (March 31, 2024: 25.17%)	60,432	-

(d) The company has not recognised deferred tax assets in respect of certain carried forward unabsorbed business loss. The aforesaid losses will lapse in subsequent years as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
0 - 5 years	-	-
From 5 to 8 years	2,30,375	-
Beyond 8 years	-	-
Indefinite	9,721	-



Senseforth AI Research Private Limited**Notes to the financial statements as at and for the year ended March 31, 2025***(All amounts are in Rs '000; unless stated otherwise)***(34) Other Statutory Information**

- (i) 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 company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iii) The Company have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961.
- (iv) The Company does not have any transactions with struck off under Companies Act 2013 or Companies Act, 1956.

- (35)** The Company vide board resolution dated December 16, 2024 has approved scheme of arrangement amongst Cuddle Artificial Intelligence Private Limited, Final Mile Consultants Private Limited, Neal Analytics Services Private Limited, Theremin AI Solutions Private Limited, Fractal Alpha Private Limited, Eugenie Technologies Private Limited and Senseforth AI Research Private Limited subject to requisite approvals, consents permissions of the shareholders and creditors as applicable, of the Company and due sanction of National Company Law Tribunal (NCLT) Mumbai bench based on share exchange ratio as determined.

- (36)** The Company has evaluated subsequent events from the balance sheet date to May 12, 2025, the date at which the financial statements were available to be issued and determined that there are no other material items to disclose.

(37) Commitments and contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Commitments	-	-
(b) Contingent Liabilities		
Claims against the company not acknowledged as debt	222	-

- (38)** The financial statements were authorised for issue by the Company's Board of directors on May 12, 2025.

- (39)** Previous year figures have been regrouped to confirm to current year presentation.

As per our report of even date attached.

For Nisarg J Shah & Co

Chartered Accountants

Firm's Registration Number: 128310W

For and on behalf of the Board of Directors of

Senseforth AI Research Private Limited

CIN: U72900MH2017PTC436180

**Nisarg Shah**

Partner

Membership Number: 126381

Ahmedabad

Date: May 12, 2025

**Ajoy Singh**

Director

DIN : 09284981

Mumbai

Date: May 12, 2025

**Sridhar Marri**

Director

DIN : 05168163

Mumbai

Date: May 12, 2025