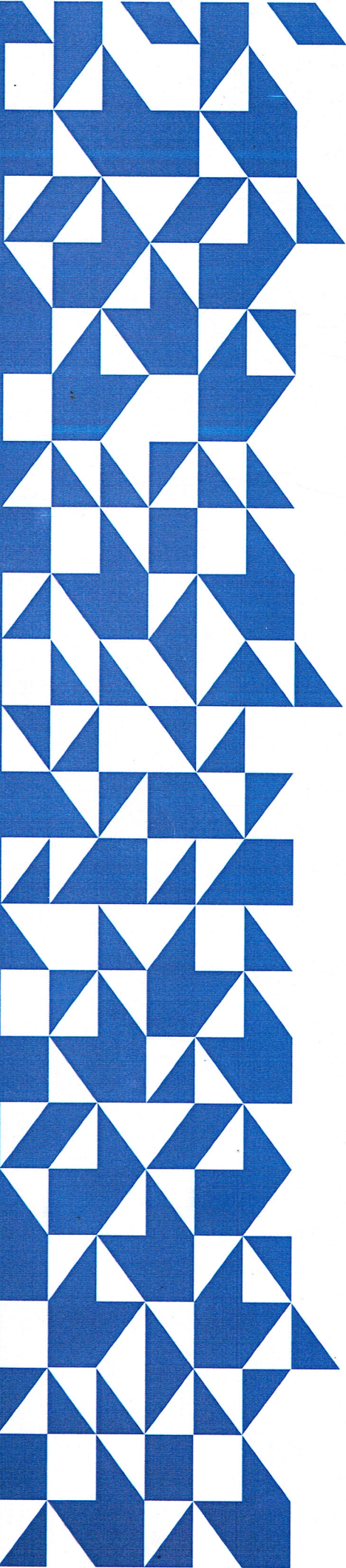


ANNUAL REPORT FOR YEAR 2032-24



FAFLE Systems Private Limited

FAFLE SYSTEMS PRIVATE LIMITED

CIN: U72900KA2022PTC163547

Karnataka, India -560100

Annual Report – FY 2023-24

Contents

| Details | Page Numbers |
|------------------------------|--------------|
| Directors' Report | 3 to 8 |
| Independent Auditor's Report | 9 to 12 |
| Financial Statements | 13 to 23 |

FAFLE SYSTEMS PRIVATE LIMITED
Registered Office: No. 337 3rd Floor E Block Sampige Nagar,
Bangalore, Karnataka, India, 560100
CIN: U72900KA2022PTC163547

DIRECTORS REPORT

To
The Members
FAFLE SYSTEMS PRIVATE LIMITED

Your directors have pleasure in presenting their Second Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended 31st March 2024.

1. FINANCIAL HIGHLIGHTS:

During the year under review, performance of your Company was as under:

(Rs in Hundreds)

| PARTICULARS | 31.03.2024 | 31.03.2023 |
|---------------------------|-------------------|-------------------|
| Revenue from Operations | - | |
| Other Income | - | |
| Total Income | - | |
| Total Expenses | | |
| Profit/(Loss) before Tax | (530) | (280) |
| Tax Expense | | |
| Profit/(Loss) After Taxes | (530) | (280) |
| Balance Carried Forward | (530) | (280) |

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

The company is developing an enterprise software called 'AIS' (Accounting information system), the product is still under the development stage. Your Company continues to carry on the business within the scope of its Main Objects. There was no diversification of business during the Financial Year ended 31.03.2024. There was no revenue during the current year as there were no viable project for the company.

3. CHANGE OF BUSINESS:

There was no change in the nature of the business of your Company during the financial year ended 31.03.2024.

4. WEB LINK OF ANNUAL RETURN, IF ANY:

The details are published on <https://www.nextgenais.com/about/company/2023-24/>

5. SHARE CAPITAL:

There was no change in the share capital of your Company during the Financial Year ended 31.03.2024.

6. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any equity shares with differential rights during the period under review.

7. DISCLOSURE REGARDING EMPLOYEE STOCK OPTIONS:

The Company has not provided any Stock Option Scheme to the employees.

8. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

The Company has not issued sweat equity shares during the year under review.

9. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board was duly constituted. Being a Private Limited, the provisions of Section 203 of the Companies Act, 2013 relating to appointment of Key Managerial Personnel is not applicable for the Company.

Following is the constitution of the Board as at 31.03.2024:

| Sl. No. | DIN | Name of the Director | Designation |
|---------|----------|----------------------|-------------|
| 1. | 09666891 | Sarath Chandra K S N | Director |
| 2. | 09666892 | Swapna Nanduri | Director |

10. CHANGE IN DIRECTORSHIP

There was no change in the directorship of your Company during the financial year ended 31.03.2024

11. BOARD MEETINGS AND SHAREHOLDERS' MEETINGS:

During the financial year ended 31.03.2024, Four meetings of the Board of Directors of the Company were held. The meetings were held on 17th June 2023, 2nd September 2023, 16th December 2023, 9TH March 2024

| Sl. No. | Name of the Director | No. of Meetings | |
|---------|----------------------|--------------------|----------|
| | | Entitled to attend | Attended |
| 1. | Sarath Chandra K S N | 4 | 4 |
| 2. | Swapna Nanduri | 4 | 4 |

The Annual General Meeting for the Financial Year ended 31.03.2024 will be held on 28th September 2024.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There are no related party transactions during the financial year. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

14. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company during the year after 31.03.2024 till the date of the Report.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Disclosure pursuant to Section 134(3) (m) of the Companies Act, 2013:

CONSERVATION OF ENERGY:

The activities of your Company are not energy intensive. However, proper care has/is been taken to utilize the energy at optimum level.

TECHNOLOGY ABSORPTION:

Technology absorption is not applicable to your company due to the nature and size of the operations.

FOREIGN EXCHANGE EARNING AND OUTGO DURING THE YEAR:

| | |
|---------------------------------|-----|
| Earnings in foreign exchange | : 0 |
| Expenditure in foreign currency | : 0 |

16. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATES:

The Company does not have any Subsidiaries, Joint Ventures and Associates.

17. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

18. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT:

There was no revision of financial statements or Board's Report during any of the last three preceding financial years.

19. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The company has in place adequate financial controls with reference to the financial statements. During the year such controls were tested and no reportable material weakness was identified.

20. RECEIPT OF ANY COMMISSION BY MANAGING DIRECTOR/WHOLETIME DIRECTOR FROM THE COMPANY OR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:

As the Company is a private limited company, disclosure under section 197 (14) is not required.

21. DECLARATION BY INDEPENDENT DIRECTOR:

As the Company is a private limited company, the provisions relating to appointment of Independent Directors does not apply to the Company.

22. REAPPOINTMENT OF INDEPENDENT DIRECTORS:

As the Company is a private limited company, the provision relating to appointment and reappointment of Independent Directors does not apply to the Company.

23. SECRETARIAL AUDIT REPORT:

Secretarial Audit is not applicable for the Company.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

Provisions relating to Section 135 of the Companies Act, 2013 is not applicable to the Company.

25. AUDIT COMMITTEE:

Being a Private Limited Company, the provisions relating to Section 177 of the Companies Act, 2013 is not applicable to the Company.

26. DISCLOSURE OF ESTABLISHMENT OF VIGIL MECHANISM:

Provisions relating to Section 177 of the Companies Act, 2013 is not applicable to the Company.

27. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year, 2023-2024 were No complaints related to sexual harassment in the company.

28. FRAUD REPORTING:

There was no fraud in the Company during the financial year ended 31.03.2024.

29. STATUTORY AUDITORS:

Statutory Auditors (Appointment)

Auditors of the Company M/s MK Jain and Associates, FRN 014122S hold office until the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment until the conclusion of the 7th Annual General Meeting of the company to be held in the year 2029.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the company has received a written consent from M/s MK Jain and Associates, FRN 014122S to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the new Act and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

30. COST AUDITORS:

There is no such requirement for the appointment of Cost Auditor as the Company is not covered under Section 148 (1) of the Act.

31. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

32. RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy, as the elements of risk threatening the Company's existence, is very minimal.

33. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirements of Section 134 (3) (c) of the Companies Act, 2013 the Directors of the Company in respect of the financial year ended 31st March 2024 here by confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c. the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Company has prepared the Financial Statements based on the going concern basis .
- e. The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- f. a proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and

34. BOARDS COMMENT ON THE AUDITORS REPORT, IF ANY

As there is no qualification, reservation or adverse remark made by the Statutory Auditors of the Company in their report, no explanation needs to be given.

35. SECRETARIAL STANDARDS:

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by The Institute of Company Secretaries of India and approved by Central Government under section 118(10) of the Companies Act, 2013.

36. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the employees, clients, bankers, and look forward to their continued support. Your Directors also thank the employees of the company, who, through their dedication, co-operation and support, have enabled the Company to achieve its goals.

By the order of the Board
For FAFLE SYSTEMS PRIVATE LIMITED



Sarath Chandra K S N
DIN: 09666891
DIRECTOR



Swapna Nanduri
DIN: 09666892
DIRECTOR

Date: 02ND September 2024
Place: Bangalore



MK JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Fafle Systems Private Limited.

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Fafle Systems Private Limited** ("the company") which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss for the year then ended and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit/loss and its cash flows for the year ended on that date.

Basis for opinion

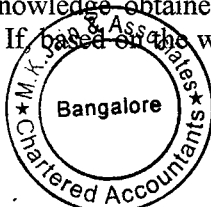
We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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.

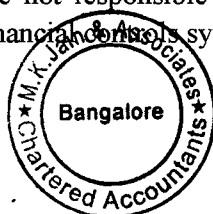
That Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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. Under section 143(3)(i) of the Companies Act, 2013, we are not responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness



of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 magnitude of misstatements in the financial statements that, individually or 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.

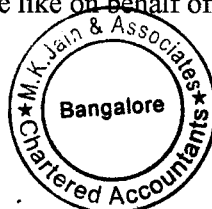
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the Order is not applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;
- g) 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, we report that section 197 is not applicable on private company. Hence reporting as per section 197(16) is not required.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, 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 audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) contain any material mis statement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the company has used an accounting software (Tally Prime Edit Log 3.0.1) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place: Bangalore

Date: 02nd September 2024



UDIN: 24224225BKCIDG2123

For MK JAIN & ASSOCIATES

Chartered Accountants

FRN 014122S

A handwritten signature in black ink, appearing to read "Mukesh Jain S", written over a horizontal line.

Mukesh Jain S

Proprietor

Membership No: 224225

FAFLE SYSTEMS PRIVATE LIMITED
Corporate Identity Number (CIN): U72900KA2022PTC163547
R.O. No. 337 3rd Floor E Block Sampige Nagar, Bengaluru - 560 100
Balance Sheet as at 31 March, 2024
(All amounts in Indian Rupees (₹) (in hundreds) unless otherwise stated)

| Particulars | Note No. | As at 31- March 2024 | As at 31- March 2023 |
|---|----------|-------------------------|-------------------------|
| | | (Rs in Hundreds) | (Rs in Hundreds) |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 1,000.00 | 1,000.00 |
| (b) Reserves and surplus | 3 | (810.21) | (280.00) |
| (c) Money received against share warrants | | | |
| | | 189.79 | 720.00 |
| 2 Share application money pending allotment | | | |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | - | - |
| (b) Deferred tax liabilities (net) | | - | - |
| (c) Other long-term liabilities | | - | - |
| (d) Long-term provisions | | - | - |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 5 | - | - |
| (b) Trade payables | 6 | - | - |
| (c) Other current liabilities | 7 | 9.00 | - |
| (d) Short-term provisions | 8 | 330.40 | 280.00 |
| | | 339.40 | 280.00 |
| TOTAL | | 529.19 | 1,000.00 |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment and intangible assets | | | |
| (i) Property plant and equipment | | - | - |
| (ii) Intangible assets | | - | - |
| (iii) Capital Work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | | - | - |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long-term Loans and Advances | | - | - |
| (e) Other non-current assets | | - | - |
| 2 Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | | - | - |
| (c) Trade receivables | 9 | - | - |
| (d) Cash and cash equivalents | 10 | 529.19 | 1,000.00 |
| (e) Short-term loans and advances | | - | - |
| (f) Other current assets | 11 | - | - |
| | | 529.19 | 1,000.00 |
| TOTAL | | 529.19 | 1,000.00 |
| See accompanying notes forming part of the financial statements | | | |

In terms of our report attached of even date

UDIN: 24224225BKCIDG2123.

MK Jain & Associates

Chartered Accountants

S. Mukesh

Mukesh Jain S

Proprietor

Member No: 224225

FRN:014122S

Place: Bangalore

Date: 2nd September, 2024

SARATH CHANDRA K S N

Director

DIN NO :- 09666891

For and on behalf of the Board of Directors

FAFLE SYSTEMS PRIVATE LIMITED

Sarath

Smagna

SWAGNA NANDURI

Director

DIN NO :- 09666892



FAPLE SYSTEMS PRIVATE LIMITED
Corporate Identity Number (CIN): U72900KA2022PTC163547
R.O. No. 337 3rd Floor E Block Sampige Nagar, Bengaluru - 560 100
Statement of Profit and Loss for the year ended 31 March, 2024
(All amounts in Indian Rupees (₹) (in hundreds) unless otherwise stated)

| Particulars | | Note No. | As at 31-March-2024 | As at 31-March-2023 |
|-------------|---|----------|---------------------|---------------------|
| | | | (Rs in Hundreds) | (Rs in Hundreds) |
| A | CONTINUING OPERATIONS | | | |
| 1 | Revenue from operations | 12 | - | - |
| 2 | Other Income | 13 | - | - |
| 3 | Total revenue (1+2) | | - | - |
| 4 | EXPENSES | | | |
| | (a) Employee Benefit Expenses | 14 | - | - |
| | (b) Finance Costs | 15 | - | - |
| | (c) Depreciation and Amortisation Expenses | | - | - |
| | (d) Other Expenses | 16 | 530.21 | 280.00 |
| | Total expenses | | 530.21 | 280.00 |
| 5 | Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | -530.21 | -280.00 |
| 6 | Exceptional items | | - | - |
| 7 | Profit / (Loss) before extraordinary items and tax (5 ± 6) | | -530.21 | -280.00 |
| 8 | Extraordinary items | | - | - |
| 9 | Profit / (Loss) before tax (7 ± 8) | | -530.21 | -280.00 |
| 10 | Tax expense: | | | |
| | (a) Current tax expense for current year | | - | - |
| | (b) Deferred tax | | - | - |
| 11 | Profit / (Loss) from continuing operations (9 ± 10) | | -530.21 | -280.00 |
| 12 | Profit / (Loss) for the year | | -530.21 | -280.00 |
| 13.i | Earnings per share (of ` 10/- each): | | | |
| | (a) Basic | | | |
| | (i) Continuing operations | | -5.30 | - |
| | (ii) Total operations | | -5.30 | - |
| 13.ii | Earnings per share (excluding extraordinary items) (of ` 10/- each): | | - | |
| | (a) Basic | | - | |
| | (i) Continuing operations | | -5.30 | - |
| | (ii) Total operations | | -5.30 | - |
| | See accompanying notes forming part of the financial statements | | | |

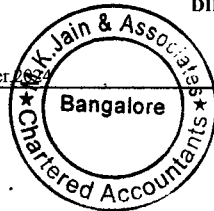
In terms of our report attached of even date

UDIN: 24224225BKCIDG2123

MK Jain & Associates
Chartered Accountants

[Signature]
Mukesh Jain S

Proprietor
Member No: 224225
FRN:014122S
Place: Bangalore
Date: 2nd September 2024



For and on behalf of the Board of Directors
Fafle Systems Private Limited

[Signature]
Sarath Chandra K S N

Director
DIN NO :- 09666891

[Signature]
Swagana Nanduri

Director
DIN NO :- 09666892

1. Corporate information

FAFLE SYSTEMS PRIVATE LIMITED (the Company), was registered as a private limited company on 08 day of July 2022 under Companies Act, 2013, to carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions and to import, export, sell, purchase, distribute, host (in data centres or over the web) or otherwise deal in own and third party computer software packages, programs and solutions.

Summary of significant accounting policies:

2. Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared based on Realisable Value and accrual basis.

Small and Medium Sized Company

The Company is Small and Medium Sized Company (SMC) as defined in the general instructions in Accounting Standards notified under the Act. Accordingly the Company has complied with the Accounting standards applicable to SMC.

0.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP which requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

0.2 Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

0.3 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

0.3 Going concern Assumption

The enterprise is normally viewed as a going concern, that is, as continuing operation in future. The Company has prepared the

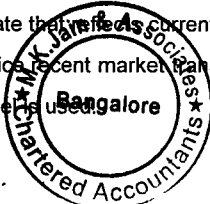
Financial statements based on Going Concern assumption as per AS-1, since the Company is continuing the business operations.

0.4 Borrowing costs

No borrowing cost incurred for the period ending on 31-March 2024

0.5 Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.



The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

0.6 Revenue Recognition

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

Revenue is not recognized in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognized on reasonable certainty of collection.

Interest Income: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

0.7 Foreign exchange transactions

Initial recognition

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

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

0.8 Employee Benefits

Accounting standard - 15, Accounting for Retirement Benefits

The objective of this standard is to prescribe the accounting and disclosure for employee benefits. This standard requires an enterprise to recognise:

(a) A liability when an employee has provided service in exchange for employee benefits to be paid in the future; and (b) an expense when the enterprise consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

0.9 Taxation

Direct Taxes

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

1.0 Segment reporting policies

Business Segment

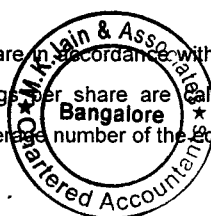
The Company has only one business segment.

Geographical Segment

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

1.1 Earnings Per Share

The Company reports Basic / Diluted earning per share in accordance with AS-20 'Earning Per Share' issued by the The Institute of Chartered Accountants of India (ICAI). Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.



1.2 Provisions

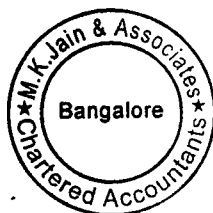
A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

1.3 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability as there is no such transaction.

1.4 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, balances in banks.



NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note : 3 Share Capital

| Particulars | As on 31.03.2024 | | As on 31.03.2023 | |
|---|------------------|-----------------|------------------|-----------------|
| | Nos | Amount in Rs. | No. | Amount in Rs. |
| (a) Authorised | | | | |
| Equity shares Rs.10/- each with voting rights | 10,000 | 1,000.00 | 10,000 | 1,000.00 |
| (b) Issued, subscribed and fully paid up | | | | |
| Equity shares Rs.10/- each with voting rights | 10,000 | 1,000.00 | 10,000 | 1,000.00 |
| Total | 10,000 | 1,000.00 | 10,000 | 1,000.00 |

A. Reconciliation of number of ordinary shares outstanding

| Particulars | As on 31.03.2024 | | As on 31.03.2023 | |
|--|------------------|-----------------|------------------|-----------------|
| | Nos | Amount in Rs. | No. | Amount in Rs. |
| Shares outstanding at the beginning of the year | 10,000 | 1,000.00 | 10,000 | 1,000.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 10,000 | 1,000.00 | 10,000 | 1,000.00 |

B. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

| Name of share holder | As on 31.03.2024 | | As on 31.03.2023 | | % of Change |
|------------------------------------|------------------|------------|------------------|------------|-------------|
| | No. | Percentage | No. | Percentage | |
| SARATH CHANDRA KATRAPATY SIVA NAGA | 9,000 | 90.00% | 9,000 | 0.9 | 0.00% |
| SWAPNA NANDURI | 1,000 | 10.00% | 1,000 | 10.00% | 0.00% |

C. Details of equity shares held by Promoters

| Name of Promoter | As on 31.03.2024 | | As on 31.03.2023 | | % of Change |
|------------------------------------|------------------|-------------------|------------------|-------------------|-------------|
| | No. | % of Total Shares | No. | % of Total Shares | |
| SARATH CHANDRA KATRAPATY SIVA NAGA | 9,000 | 90.00% | 9,000 | 90.00% | 0.00% |
| SWAPNA NANDURI | 1,000 | 10.00% | 1,000 | 10.00% | 0.00% |

| | |
|---|-----|
| D. Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March | NIL |
|---|-----|

| | |
|---|-----|
| E. Ordinary Shares allotted as fully paid bonus shares for the period of 5 years immediately preceding 31st March | NIL |
|---|-----|

F. Rights, preference and restrictions attached to the Ordinary Shares-The Ordinary Shares of the Company, having par value of Rs.10 .00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity share holders.

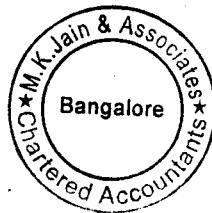
*percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Promoter means a person:

- who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or
 - who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or
 - in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act;
- Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity;



| FAFLE SYSTEMS PRIVATE LIMITED BALANCE SHEET SCHEDULES (All amounts in Indian Rupees (₹) (in hundreds) unless otherwise stated) | | | | |
|--|---|--|------------|------------|
| | Particulars | | 31.03.2024 | 31.03.2023 |
| Note 3 | <u>Share Capital</u> | | | |
| | <u>Equity Share Capital</u> | | | |
| | Sarath Chandra KSN | | 900.00 | 900.00 |
| | Swapna Nanduri | | 100.00 | 100.00 |
| | | | 1,000.00 | 1,000.00 |
| | <u>Reserves and Surplus</u> | | | |
| | Opening balance of Profit & Loss Account | | -280.00 | |
| | Current year balance of Profit & Loss Account | | -530.21 | -280.00 |
| | | | -810.21 | -280.00 |
| | | | | |
| Note 4 | <u>Long Term Borrowings</u> | | | |
| | | | - | - |
| | | | - | - |
| Note 5 | <u>Short Term Borrowings</u> | | | |
| | | | - | - |
| | | | - | - |
| Note 6 | <u>Trade payables</u> | | | |
| | | | - | - |
| | | | - | - |
| Note 7 | <u>Other Current Liabilities</u> | | | |
| | Expenses Payable | | 9.00 | |
| | | | 9.00 | - |
| Note 8 | <u>Short-term provisions</u> | | | |
| | Provision for expenses | | 330.40 | 280.00 |
| | | | 330.40 | 280.00 |
| Note 9 | <u>Trade Receivables</u> | | | |
| | Sundry Debtors | | - | - |
| | | | - | - |
| Note 10 | <u>Cash and Cash Equivalent</u> | | | |
| | Cash in Hand | | - | - |
| | Bank balance: | | | |
| | In Current Accounts | | 529.19 | 1,000.00 |
| | | | 529.19 | 1,000.00 |
| Note 11 | <u>Other Current Assets</u> | | | |
| | | | - | - |
| | | | - | - |



| FAFLE SYSTEMS PRIVATE LIMITED PROFIT AND LOSS ACCOUNT SCHEDULES (All amounts in Indian Rupees (₹) (in hundreds) unless otherwise stated) | | | |
|--|---|---------------|---------------|
| | Particulars | 31.03.2024 | 31.03.2023 |
| Note 12 | <u>Revenue</u> | | |
| | Software Service Income | - | - |
| Note 13 | <u>Other Incomes</u> | | |
| | | - | - |
| Note 14 | <u>Employee Benefit Expenses</u> | | |
| | | - | - |
| Note 15 | <u>Finance Expense</u> | | |
| | | - | - |
| Note 16 | <u>Other Expenses</u> | | |
| | Audit Fees | 280.00 | 280.00 |
| | Bank Charges | 0.06 | - |
| | Rates & taxes | 100.80 | |
| | ROC Charges | 9.00 | |
| | Trademark registration | 140.35 | - |
| | | 530.21 | 280.00 |



| | | | |
|---------|--|-------------------|-------------------|
| Note 17 | Related Party Disclosure | | |
| | (All amounts in Indian Rupees (₹) (in hundreds) unless otherwise stated) | | |
| | (i) Names of related parties and description of relationship: | | |
| | Key management personnel : | | |
| | Mr. Sarath Chandra K S N. Director Mrs. Swapna Nanduri , Director Enterprise over which significant influence is possible | | |
| Note 18 | Particulars | 31.03.2024 | 31.03.2023 |
| | Transaction with Related party | - | - |
| | Total | - | - |
| | | | |
| | | | |
| Note 19 | Particulars | 31.03.2024 | 31.03.2023 |
| | Statutory Audit Fees | 280.00 | 280.00 |
| | Total | 28.00 | 28.00 |
| | | | |
| | | | |
| Note 20 | Particulars | 31.3.2024 | 31.3.2023 |
| | (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | | |
| | (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | | |
| | (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | | |
| | (iv) The amount of interest due and payable for the year | | |
| Note 21 | (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | | |
| | (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | | |
| | Total | - | - |
| | | | |
| | | | |
| Note 22 | Particulars | 31.3.2024 | 31.3.2023 |
| | Contingent liabilities | - | - |
| | Commitments | - | - |
| | Cumulative preference share dividend including tax on dividend | - | - |
| | Total | - | - |
| Note 23 | Additionally, the Company believes that there are no such pending matters including any claims from customers/ vendors that are expected to have any material adverse effect on its financial statements. | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Note 24 | Retirement Benefits | | |
| | Due to no operations, there are no such transactions during the financial year | | |
| | | | |
| | | | |
| | | | |
| Note 25 | In the opinion of the management, Current Assets, Loans and Advances, Current liabilities etc have a realisable value in the ordinary course of business atleast equal to the values stated in the Financial statements | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Note 26 | Balances appearing for Current Assets, Current Liabilities are subject to confirmations, reconciliations if any | | |
| | Small and Medium Sized Company | | |
| | The Company is Small and Medium Sized Company (SMC) as defined in the general instructions in Accounting Standards notified under the Act. Accordingly the Company has complied with the Accounting standards applicable to SMC. | | |
| | Figures of Previous years has been recognised and reclassified wherever necessary to confirm to the current year's presentation. | | |
| | | | |



Note 27 Other Statutory Information

i. Details of Benami properties held

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

ii. Willful Defaulter

Company has not been declared Willful defaulter by any bank or financial institution or government or any government authority.

iii. Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

iv. Compliance with approved scheme(s) of arrangements

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

v. Loans to promoters, directors, KMPs and other related parties

During the year, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs, and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are either:

vi. Loans and Advances

A. To the best of belief and knowledge of the management, 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:

- 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 to or on behalf of the ultimate beneficiaries

B. To the best of belief and knowledge of the management, 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:

- 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.

vii. Undisclosed income

The Company does not have any transaction which is not recorded in the books of account, that has been surrendered or disclosed as income during the year (previous 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).

viii. Details of Crypto currency or Virtual currency

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

ix. Valuation of PP&E, intangible asset and investment property

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

x. Registration of charges or satisfaction with Registrar of Companies:

The Company is not required to register any charge and also not required to file any satisfaction of charges with the Registrar of Companies. Hence, this is not applicable.

xi. Utilization of borrowings availed from banks and financial institutions:

The company has not availed any loan during the year or in the previous years from banks and/or financial institutions.

xii. Dividend

The Company has not declared or paid dividend during the year 2023-2024 or in the immediate preceeding financial year.

xiii. Title deeds

The Company has not owned any freehold land and/or immovable properties and hence, this is not applicable.

xiv. Fair Valuation of Investment Properties

The Company does not hold any investment property and hence the disclosure on fair valuation of investment property is not applicable to the Company.

xv. Forseeable Losses

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024 and March 31, 2023.

xvi. Corporate Social Responsibility

Provision of CSR u/s 135 of the Companies Act, 2013 are not applicable to the Company

xvii. Strike Off

The Company did not have any transactions with the strike off companies in current financial year.

As per our Separate Report of Even date

For MK Jain & Associates
Chartered Accountants

Mulkeesh Jain S

Proprietor

Firm Registration No. 014122S

Membership No 224225

Place: Bangalore

Date: 2nd September, 2024

For and on behalf of the Board of Directors

FAFLE SYSTEMS PRIVATE LIMITED

SARATH CHANDRA K S N

Director

DIN NO :- 09666891

SWAPNA NANUDRI

Director

DIN NO :- 09666892



Additional Regulatory Information:

Note 28 Analytical Ratios :

| Ratios | Numerator | Denominator | 31-03-2024 | 31-03-2023 | % of Change | Note No. |
|--|---|--------------------------------------|------------|------------|-------------|----------|
| Current Ratio | Current Assets | Current Liabilities | 1.56 | 3.57 | -56.34% | 1 |
| Debt Equity Ratio | Total Debt | Shareholders Equity | - | - | - | |
| Debt Service Coverage Ratio | Earning Available for Debt Service | Debt Service | - | - | - | |
| Return on Equity Ratio | Net Profit after tax- Preference Dividend | Average Shareholder's Equity | -1.17 | -0.39 | 199.72% | 2 |
| Inventory Turnover Ratio | Cost of Goods Sold or Sales | Closing Balance of Inventory | - | - | - | 3 |
| Trade Receivables Turnover Ratio | Total Sales | Closing Balance of Trade Receivables | - | - | - | 3 |
| Trade Payables Turnover Ratio | Total Purchases | Closing Balance of Trade Creditors | - | - | - | 4 |
| Net capital turnover ratio | Net revenue from operations | Average Working Capital | - | - | - | |
| Net profit ratio | Net Profit after tax | Net Sales | - | - | - | 3 |
| Return on Capital employed | EBIT | Capital Employed | -2.79 | -0.39 | 618.37% | 5 |
| Return on investment | Income earned on investment | Current & non current investment | NA | NA | NA | |
| * % of change of more than 25% must be explained by way of a note. | | | | | | |

Notes:

1. As bank balance, current assets is lower for current year this ratio is changed
2. The change in Return on Equity ratio is more than 25% because there is increase in losses during the current year
3. There is no Sale/Service for the relevant period hence Inventory Turnover Ratio , Net Profit Ratio and Trade Receivables Turnover Ratio is not applicable
4. There is no Purchases for the relevant Period hence Trade Payable Turnover Ratio Not Applicable
5. There is no turnover & there is increase in loss so this ratio is impacted

