

Diversified
Portfolio.
**Balanced
Growth.**



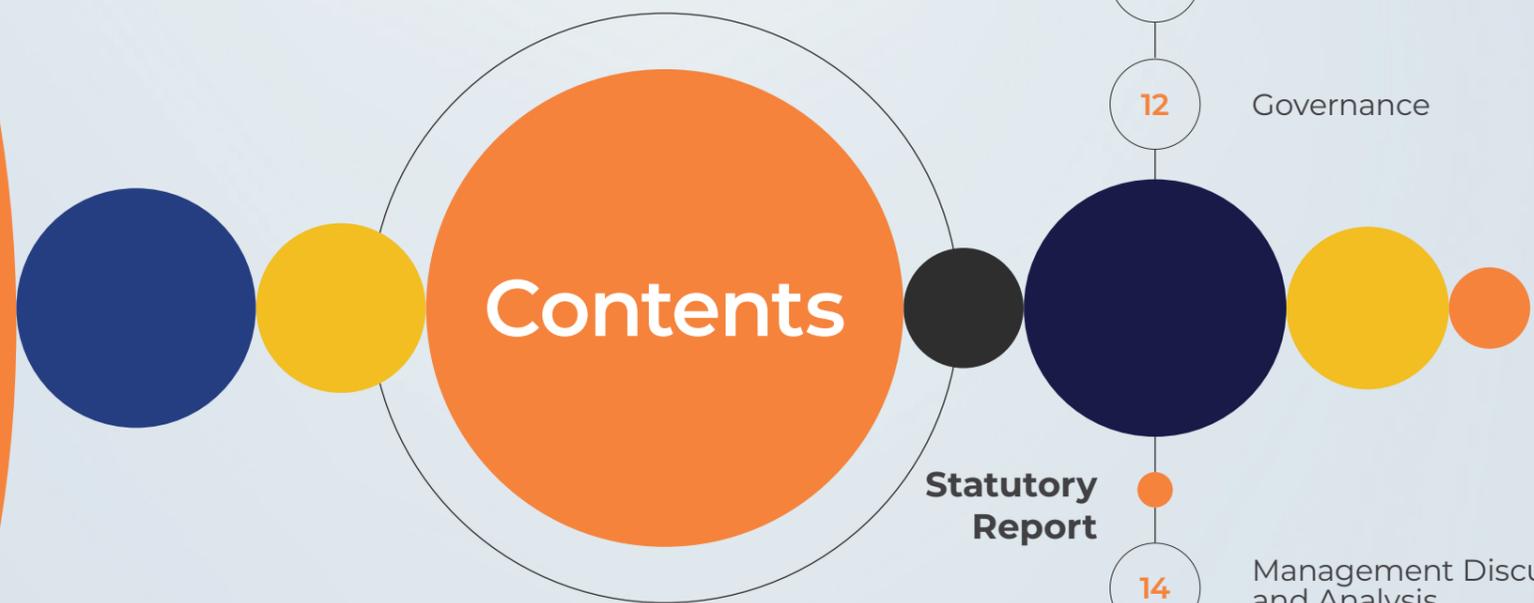
Theme Introduction

Diversified Portfolio. Balanced Growth.

This year has been a journey of steady growth for Xpheno Private Limited, with our dynamic approach and diverse portfolio serving as a testament to our balanced progress. Global Capability Centers (GCCs) were our primary growth driver in FY 2025. We increased our share of GCC mandates compared to FY 2024, which contributed to a higher Annual Recurring Revenue (ARR) and a more consistent delivery schedule throughout the year.

Our broader portfolio continued to expand from last year, displaying measured improvements in recurring revenues and profitability. The balance among Sales and Support Staffing, Engineering Services, IT Staffing, and Direct Hiring helped us navigate various demand cycles effectively. Such stability allowed us to remain relevant within India's talent ecosystem while maintaining disciplined execution and controlling costs.

This year's theme—"Diversified Portfolio. Balanced Growth."—encapsulates our vision of achieving sustainable results through a thoughtfully curated mix of talent and technology. Driven by a commitment to execution, integrity, and impactful client relationships, Xpheno is building a robust foundation for future scalability and success.



Corporate Overview

02

FY 2025 Highlights

03

Key Performance Indicators

04

Management Message

06

Company Overview

08

Business Portfolio

10

Operating Environment

12

Governance

Statutory Report

14

Management Discussion and Analysis

18

Board's Report

Financial Statements

26

Standalone Financials

64

Consolidated Financials

FY 2025 Highlights

FY 2025 at a Glance

Financial

₹ 273.65 Cr

Revenue

₹ 8.21 Cr

EBITDA

₹ 6.27 Cr

PAT

26%

ROCE

95.53%

CAGR

Operational

225

Total client served
FY 2025

47

GCC Clients
FY 2025

7,200

Talent Deployed
FY 2025

25

DSO

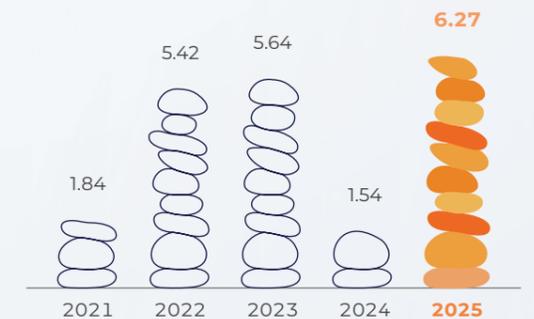
Key Performance Indicators

Scale with Discipline, Results with Balance

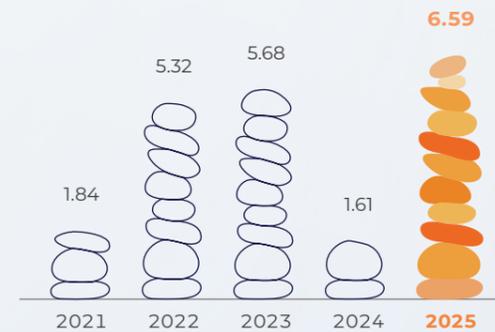
Revenue from Operations
(₹ in Crore)



PAT
(₹ in Crore)



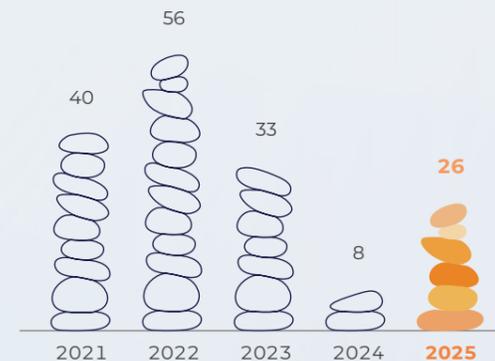
PBT
(₹ in Crore)



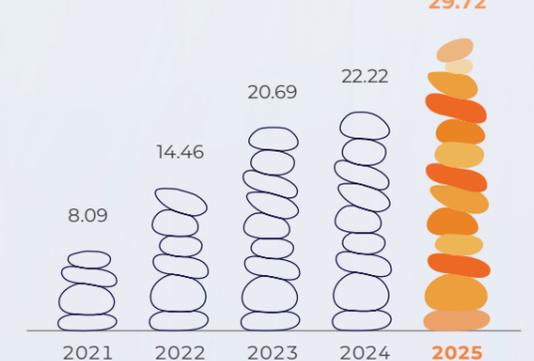
EBITDA
(₹ in Crore)



ROCE
(%)



Net Worth
(₹ in Crore)



From the Founder's Desk

Dear Shareholders,

We are pleased to present Xpheno's Annual Report for 2025, a pivotal year characterised by balanced growth, disciplined execution, and sustainable value creation. The year's theme—"Diversified Portfolio. Balanced Growth."—emphasises our strategy for steady revenue expansion while maintaining quality, cash flow, and customer trust.

Global and Domestic Context: Resilience with Specialisation

The global economy in FY 2025 continued to experience uneven growth. However, India's talent market, particularly in IT, engineering, and Global Capability Centers (GCCs), showed strong and consistent expansion. There was an increased demand for specialised skills, compliant delivery, and quick hiring processes. This trend favoured specialised partners that offer depth, governance, and scalable processes.

Scaling with Balance: Five Streams. One Cadence.

In FY 2025, our focus was on transforming preparation into performance. Our five business units—Sales and Support Staffing, Engineering Services, IT Staffing, and Direct Hiring and Executive Search—each with a balance share reduced our dependence on a single revenue stream. This diverse approach enhanced the quality of our revenue and helped maintain margin discipline throughout the year.

Further, we focused our business model on Annual Recurring Revenue (ARR), placing significant emphasis on recurring services and repeat clients as foundational elements of our strategy. Our Sales and Support Staffing strategies were designed to be cost-effective while still driving positive contributions to our overall revenue.

Our Engineering Services and IT Staffing not only bolstered our recurring revenue streams but also addressed a unique market opportunity. Furthermore, our Direct Hiring services provided higher-margin opportunities, despite facing some cyclical fluctuations. The client churn rates within our ARR segments remained low, underscoring the stability and resilience of our portfolio in a competitive landscape.

GCC Focus: Upstream and Intentional

We have enhanced our strategic foothold within India's GCC ecosystem by actively engaging in upstream initiatives focused on greenfield projects and early-scale developments. Our efforts included utilising location intelligence, performing talent mapping, calibrating compensation packages, and devising comprehensive ramp-up plans. This proactive approach not only increased our share of GCC mandates but also strengthened our long-term relationships within the industry, ensuring that we remain well-positioned for continued success in the future.

We enhanced our Udupi Center of Excellence, which improved sourcing speed and quality, expanded our sales capacity in key markets, and increased investments in middle-office technology.

Brand and Insight: Strengthening the Delivery Backbone

We enhanced our Udupi Center of Excellence, which improved sourcing speed and quality, expanded our sales capacity in key markets, and increased investments in middle-office technology. These initiatives aim to enhance compliance, improve payroll accuracy, and elevate the overall experience for all stakeholders. Together, these efforts translate our leadership intentions into accountable and repeatable execution.

Our consistent investment in Brand Xpheno and research-driven talent insights continues to provide us with a competitive advantage. Market analyses and city studies enable clients to make informed decisions and assist candidates in navigating opportunities, further solidifying our role as a specialised talent solutions partner.

Governance, People, and Ownership

Our governance framework, led by our Board with oversight, policy-backed compliance, and clear accountability, has continued to evolve. We have enhanced our leadership capacity and expanded the Employee Stock Ownership Plan (ESOP), aligning our teams towards long-term value creation and reinforcing a culture of shared ownership.

In April 2025, we appointed Francis Padamadan as CEO-designate to focus on our client relationships, employee experience and service delivery as we prepare for an initial public offering (IPO) while maintaining operational discipline.

Looking Ahead: Ambition with Discipline

Our priorities for FY 2026 are focused and well-defined. First, we aim to strengthen our ARR engine within Engineering Services and IT Staffing. In addition, we plan to establish upstream GCC partnerships at the greenfield stage to secure long-term value. To attract leadership talent and niche skills, we will enhance our Direct Hiring and Executive Search services. Finally, we will continue investing in the essential pillars: People, Process, Technology, and Data, which are crucial for achieving Speed, Scale, and Skills.

We appreciate the trust of our investors, customers, candidates, partners and colleagues. Together, we strive to achieve growth that is intentionally balanced and value that is compounded through execution.

Warm regards,



Company Overview

Building Trust with Talent and Tech

Who are we?

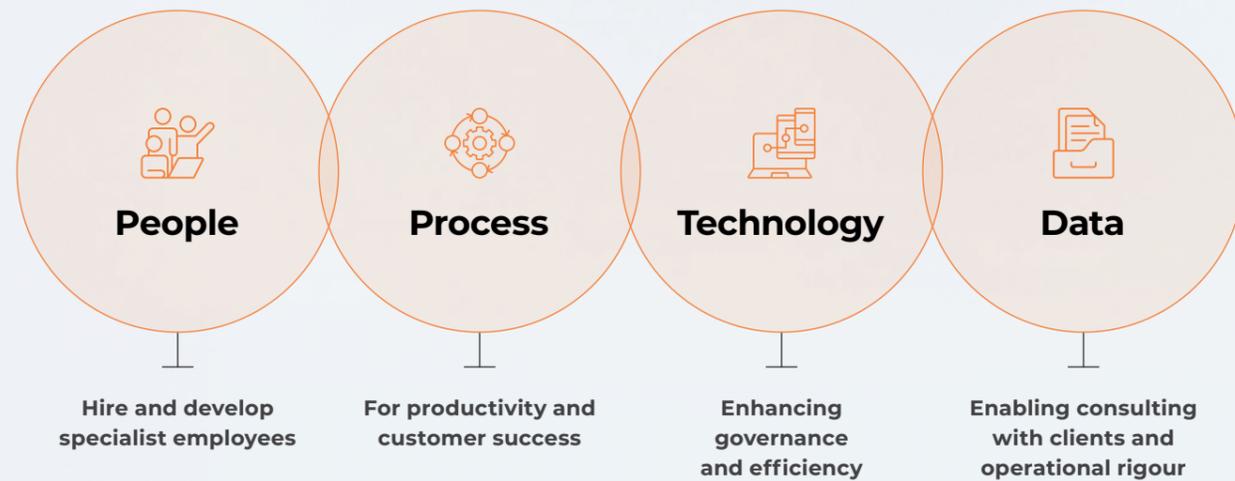
Xpheno Private Limited is a specialist talent solutions partner founded by Kamal Karanth and Anil Ethanur. Started in 2016 and scaled up from 2017, our mission is to connect high-skilled professionals with roles where they can fully realise their potential—a concept reflected in our name, inspired by the “extended phenotype.” We offer a diverse range of services with a focus on Engineering, IT/Tech, BFSI, and related sectors.

Our delivery approach combines domain-specific consulting with scalable processes and modern tools to efficiently identify, evaluate, and hire talent at scale.

We operate in a niche area of India's talent market, specialising in staffing for high-skill positions. Our services are tailored to support the rapidly growing Global Capability Centers (GCCs) ecosystem in the country, assisting in both greenfield projects and scale-up centers by providing location intelligence, market insights, and ramp-up plans. By combining executive hiring with contract staffing, we facilitate a seamless transition to steady operations, prioritising Annual Recurring Revenue (ARR) and leveraging our expertise in acquisitions and tech-enabled execution to ensure balanced and resilient growth.

Guiding Principles

Our talent management approach centers on four pillars: People, Process, Technology, and Data, enabling us to enhance customer relationships and foster a sustainable brand.



Together, these pillars power our operating credo—Speed. Scale. Skill.—and anchor long-term partnerships with customers while building a durable institution.

The Road to Resilient Growth

After 40 years of friendship and over 20 years of working together as peers, the Founders identified a gap in the Indian staffing industry for reputable specialists across multiple sectors. This realisation, sparked by their weekend brainstorming sessions, ultimately led to the inception of Xpheno.



Business Portfolio

Diversified Services, Synchronised Growth

What do we do?

We are a specialist staffing partner dedicated to delivering speed, quality, and compliance in white-collar talent acquisition. Our approach combines domain-led consulting with tech-enabled sourcing and stringent governance on payroll and statutory remittances, ensuring efficient and repeatable outcomes. We operate across various sectors, including IT and Tech, Consumer and Retail, and Engineering, with a growing focus on the GCC sector.

Our strength lies in our team of experienced consultants, which allows us to effectively target passive talent. By engaging key decision-makers and adopting a candidate-first approach, we enhance conversion rates and retention.

Our Business Streams



IT Staffing

We provide contract and contract-to-hire talent in Full-Stack, Data/AI, Cloud, DevOps, UI/UX, and related skills. Our workflow is designed for efficiency—clear role intake, rapid sourcing, quick shortlists, compliance checks, onboarding, and ongoing governance.



Engineering Services

We provide specialised engineers to OEMs and GCCs to develop and expand design, R&D, and manufacturing programmes across the EV, semiconductor, connectivity, aviation, and automotive sectors. Our engagements vary from curated pods to complete turnkey solutions.



Sales and Support Staffing

Tech-enabled inside sales, retail, and field operations teams delivered effectively at scale, with playbooks for productivity, territory ramp-up, and compliance on payroll and statutory requirements. The Hyderabad Recruitment Delivery Center and the Udupi Center of Excellence support national execution.



Executive Search

End-to-end retained searches for CXO, VP, and GM roles, including board composition, diversity mandates, interim leadership, and cross-border assignments, from calibrated longlists to transition support.



Direct Hire and RPO

We focus on targeted mid- to senior-level and niche hiring in IT, Engineering, and Consumer/Retail, which is led by domain consultants who ensure evaluation and closure quality. For large-scale or time-bound projects, we provide tailored RPO models that integrate with client processes.

GCC Focus

We are enhancing support for Global Capability Centers (GCCs) by providing location intelligence, talent mapping, and rapid scaling plans for new entrants and growing companies. Market forecasts indicate continued growth in the GCC through 2030. Xpheno focuses on upstream greenfield and early-scale strategies, including location benchmarking, talent pool sizing, salary calibration, organisational design for initial hires, and ramp-up plans. This approach emphasises GCCs as value center creations rather than mere back-office setups, utilising modern technologies.

Udupi Center of Excellence

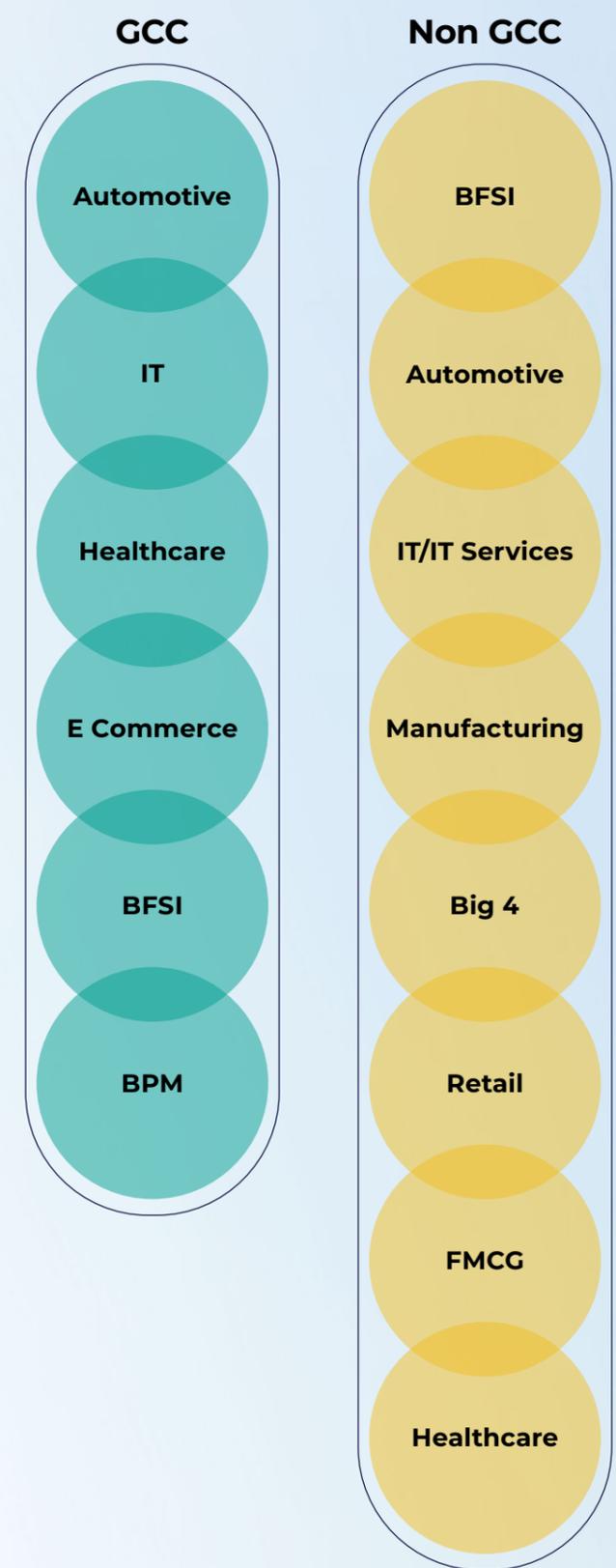
Xpheno's Udupi Center of Excellence (CoE) enhances national delivery by improving the speed and quality of talent sourcing while creating a dedicated hub for talent research, deployment, and management. Positioned as a recruitment-focused center, it aims to support pan-India mandates, catering to the growing needs of start-ups, mid-sized IT firms, and sectors like BFSI and pharmaceuticals that are driving job growth in Udupi.

Our CoE is a hub where talent meets innovation, focusing on specialist talent sourcing, deployment, and management.

With a growing local talent pool, we aim to train 250 specialist recruiters to enhance our service delivery, establishing Udupi as the "Silicon Beach of India."



Industries Served

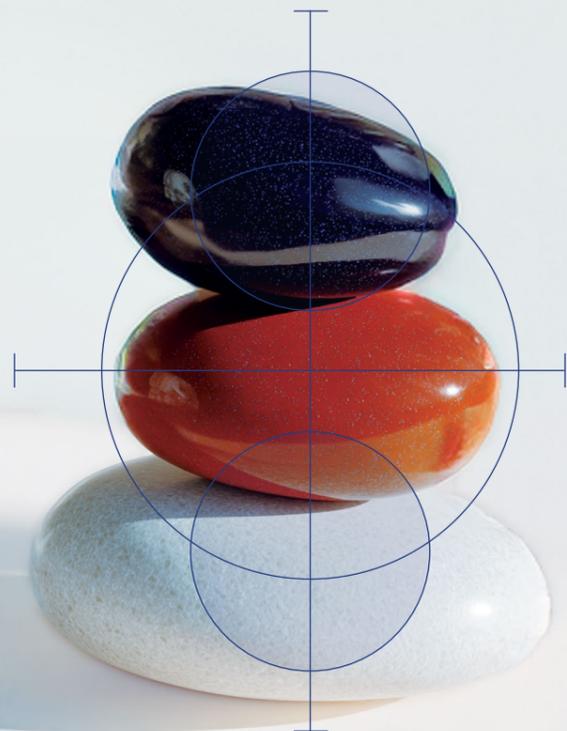


Operating Environment

Market Dynamics Shaping Xpheno

Industry Trends and Market Landscape

Xpheno operates in India's evolving talent and GCC ecosystems, addressing the growing demand for specialised skills and rapid hiring. Our services focus on IT, engineering, and GCC staffing, backed by data-driven research and a distributed delivery network.



Macroeconomic Landscape – India

India's macroeconomic landscape for FY 2025 remains broadly positive. According to the National Statistical Office's First Advance Estimates released on January 7, 2025, real GDP growth is projected at 6.4%, maintaining India's position as the fastest-growing major economy. Disinflation has continued into the year-end, with the Consumer Price Index (CPI) inflation rate at 3.34% Y-O-Y in March 2025, the lowest rate since August 2019. The Reserve Bank of India's January 2025 analysis highlighted this 6.4% growth, noting a moderation from the three previous years, when growth was above 7%. Moreover, domestic demand and investment have remained strong. Together, lower prices and steady growth have created a favourable environment for capital expenditure and hiring throughout FY 2025, establishing a solid foundation as we head into FY 2026.

[PR_NAD_07012025_0.pdf](#)

[PR March 2025.pdf](#)

[BS_ViewBulletin.aspx](#)

Outlook

With inflation expected to ease into FY 2025 (CPI at 3.34% Y-O-Y in March 2025) and a more supportive policy environment emerging at the start of FY 2026 (repo rate at 5.25% after the December 2025 cut), domestic demand and public capital expenditure should create a favourable hiring environment. In Xpheno's target markets, the GCC region remains a crucial driver; ICRA projects that there will be 50–55 Million Square Feet of Grade-A office leasing by GCCs

across the top six cities during FY 2026–FY 2027. This signals sustained capacity creation and the development of multi-functional teams. Overall, FY 2026 appears promising for specialist hiring and staffing, especially for providers who combine location intelligence, leadership capabilities, volume hiring, and compliance-first delivery.

[Reuters](#)



Key Trends — India's GCC Ecosystem

Scale and Enterprise Mix Expanding

India now hosts nearly 50% of the world's Global Capability Centers (GCCs), employing approximately 1.9 Million people. The sector generated \$ 65 Billion in FY 2024, with projections indicating potential growth to \$ 100–110 Billion by 2030.

Outlook: At Xpheno, we maintain a GCC-first focus, developing leadership and specialist hiring strategies tailored for product development, engineering, and multi-functional teams. Our footprint of over 325 full-time equivalent (FTE) employees across six GCC hubs enables localised delivery and faster turnaround.

Hotspots Deepening — Bengaluru Leads, Hyderabad Rising

Bengaluru continues to be India's GCC capital, hosting over 890 units and a talent pool exceeding 7,40,000. Other significant hubs include NCR, Mumbai, Pune, Hyderabad, and Chennai. Hyderabad is increasingly recognised as a preferred location for new units.

Outlook: Our recruiters and account teams are integrated across all six hubs, with the Udupi Center of Excellence facilitating research-led sourcing and multi-city execution to minimise cycle times.

Greenfield Acceleration and City Shifts

In the past 30 months, over 160 new greenfield GCCs have been established, of which 73% are US-headquartered. Hyderabad attracted 45% of these greenfield projects, and the existing capacity has already surpassed 1,40,000 roles.

Outlook: We prioritise advisory services that include location intelligence, organisational design, and ramp-up plans. Additionally, we are expanding our delivery teams in Hyderabad and other high-growth micro-markets to meet greenfield demand.

Function Mix Skewed Towards Engineering and IT

The combination of Technology and Manufacturing accounted for 51% of greenfield establishments. In comparison, Engineering (38%) and IT (11%) together represent 49% of roles in the greenfield workforce.

Outlook: We emphasise Engineering Professional Services and IT Staff Augmentation to support design, R&D, platform, and product teams. This is paired with leadership hiring to stabilise outcomes during the critical first year of operations at scale.

Broader Global Participation

India is home to more than 1,250 US companies, over 480 EMEA companies, 45 Japanese companies, 30 Canadian companies, 25 Singaporean companies, and 15 Australian companies, highlighting a diversified enterprise landscape.

Outlook: We align our search and staffing pods with the geographic locations of our headquarters (US/EU/JP) and sector-specific needs, deploying our Skill, Speed, Scale, and Price framework to standardise delivery while adapting to local compliance and cultural requirements.

Looking Ahead

Xpheno will continue to align its delivery with the growth corridors and skill needs of GCC by supporting greenfield and expansion programmes through leadership hiring and specialist staffing in IT and engineering, guided by hotspot talent maps. Leveraging insights from GCC research, we will assist clients in making informed decisions regarding sector mix, location, and function development. Our balanced growth model aims to maintain an ARR-led portfolio while adjusting Direct Hire and Executive Search to ensure margin resilience. We will also utilise the Udupi Center of Excellence and our recruitment hubs to enhance speed-to-hire, governance, and compliance.

Source: Xpheno_INDIA_GCCs_Report_September_2025

Governance

Guided by Visionary Leadership

Xpheno's governance is bolstered by the Board members who have over 30 years of global experience. Additionally Xpheno's diverse leadership team corroborates operational discipline and client centricity.

In March 2025, we appointed Francis Padamadan as CEO-designate to guide Xpheno into the next phase, overseeing preparations for an IPO and international expansion.

Board of Directors

<p>Kamal Karanth A Co-Founder</p> 	<p>Anil Ethanur Co-Founder</p> 	<p>Ramasastri Ambarish Director (Non-Executive)</p> 
<p>Ramakrishna Bhagavan Chief Financial Officer</p> 	<p>Francis Padamadan CEO (Designate)</p> 	

<p>Divya Kurup Sales Staffing</p> 	<p>Guruprasad M Thanthri Center of Excellence</p> 	<p>Jayashree Prasad Business Excellence & Technology</p> 
<p>Kedar Pathak GCC Growth</p> 	<p>Kantharaju Sanjeevappa Engineering SME</p> 	<p>Krishna Gautam Direct Hiring - IT</p> 
<p>Mampy Paul Engineering Services</p> 	<p>Prasadh M S Research and Marketing</p> 	<p>Shincy Morris Direct Hiring - Functions</p> 
<p>Siddharth Verma Executive Search</p> 	<p>Sundar Eshwar IT Staffing</p> 	

Management Discussion and Analysis

Global Economy Overview

The global economy is progressing slowly but faces significant challenges, including rising geopolitical tensions, inflationary pressures, and changes in monetary policy frameworks. According to the International Monetary Fund (IMF) in its October 2025 World Economic Outlook, real GDP growth is projected to be 3.2%¹ in 2025 globally, decreasing to 3.1% in 2026, down from 3.3% in 2024. Emerging markets and developing economies continue to demonstrate resilience, driven by robust domestic consumption, robust infrastructure investment, and rapid digital transformation. These trends help maintain demand for human-capital services, particularly in technology, outsourcing, and cross-border talent markets.

Outlook

The modest slowdown in global growth indicates a cautious medium-term outlook. While the forecast of a 3.2%² growth rate in 2025 suggests some resilience, the predicted 3.1% for 2026 underscores that economic momentum remains fragile. In this context, the demand for specialised staffing and talent solutions—especially in technology, digital sectors, and global capability centers—is expected to remain strong. Organisations are likely to invest in adaptability, skill development, and cross-border workforce models.

Indian Economy Overview

India has shown remarkable resilience in its economy despite facing a challenging global environment. According to the Ministry of Statistics and Programme Implementation (MoSPI), the estimated real GDP growth for FY 2024-25 is projected to be 6.5%³, while nominal GDP is expected to grow by 9.8%⁴. This growth is bolstered by strong private consumption, an increase in gross fixed capital formation, and rising infrastructure investments across various sectors.

Additionally, inflation rates have decreased, and employment opportunities in both the services and manufacturing sectors remain stable, which is a positive sign for the broader talent services ecosystem. However, the external environment remains uncertain, with reduction in the ongoing global demand, and currency challenges. This situation underscores the importance of India leveraging its domestic strengths and maintaining its position in the worldwide talent services market.

Outlook

For FY 2025-26 and beyond, India's growth momentum is expected to persist, even in a competitive and complex global environment. The country benefits from several structural advantages, including robust domestic consumption, infrastructure expansion, the growth of the GCC talent hub, and increased digital service penetration. These factors create a strong foundation for talent services and staffing firms. Ongoing foreign direct investment (FDI) inflows, combined with policy-driven incentives for manufacturing and services, will further drive demand for specialised skills and workforce solutions. However, it is essential to remain vigilant regarding inflation, global trade challenges, and currency volatility—issues that could hinder growth if not properly managed.

Industry Overview: Staffing and Workforce Solutions

Global Staffing and Workforce-Solutions Industry

The global staffing market is substantial and resilient, driven by the demand for flexible talent, digital and technical skills, and the outsourcing of non-core functions. Market forecasts⁵ indicate continued growth as companies seek to balance cost, speed, and access to specialised skills through contingent, contract, and remote work models. Technology, especially AI-enabled sourcing and matching platforms, is transforming delivery models and profit margins for

staffing firms. Meanwhile, macroeconomic volatility, such as geopolitical tensions and fluctuating interest rates, is affecting permanent hiring and increasing the demand for contingent workers.

Indian Staffing and Talent-Services Landscape

India's staffing market⁶ is experiencing rapid growth and is emerging as a strategic hub for global talent centers (GCCs), IT staff augmentation, and flexible staffing solutions. Quarterly employment outlooks and industry reports indicate strong hiring intentions across various sectors, including technology, banking, financial services, and insurance (BFSI), logistics, and manufacturing. This is supported by an increasing demand for specialised skill sets and a rise in contract staffing. The Indian Staffing Federation, along with various market surveys, highlights a significant increase in the adoption of flexible staffing and a strong pipeline of temporary and contract roles, positioning India as one of the fastest-growing staffing markets globally.

Key Trends in the Industry

- **Skill-led demand⁷ and niche specialisation:** Clients are increasingly seeking specialists in sectors such as AI/ML, cloud, cybersecurity, and digital products. They prefer staffing partners who blend domain expertise with strong talent pools.
- **Platformisation and AI:⁸** Recruitment platforms, automation, and AI are enhancing candidate sourcing, assessment, and matching, boosting speed while increasing the demands on data, technology investment, and outcome measurement.
- **Rise of GCCs and distributed delivery:⁹** Global Capability Centers in India are transitioning to higher-value work, such as product development, data analysis, and cybersecurity. This shift is creating a sustained demand for mid-to-senior technical hires and leadership recruitment services.

- **Regulatory and pay-transparency pressures:¹⁰** Increased emphasis on compliance, contractor classification, and pay transparency is influencing contracting models and cost structures for staffing firms.

Growth Drivers (India)

1. **Corporate demand for specialised talent:¹¹** Digital transformation, along with cloud, AI, and cybersecurity projects, is driving ongoing mid-senior hiring demands that favour specialist recruiters.
2. **Expansion of GCCs and global delivery hubs:¹²** As GCCs assume strategic roles, the demand for leadership hiring, specialised technical staffing, and payroll/contracting solutions increases—creating a significant market for Xpheno's GCC-focused services.
3. **Shift to flexible work and project staffing:¹³** Companies prefer agile resourcing for cost control and speed. ISF projections show a strong compound annual growth rate for flexible staffing in India, expanding the overall market.
4. **Macro tailwinds in India:¹⁴** Strong GDP growth, infrastructure investments, and FDI inflows are sustaining hiring across the IT, manufacturing, BFSI, and services sectors, creating opportunities for volume and diversification.

Business Overview

Founded in 2016 by Kamal Karanth and Anil Ethanur, Xpheno is a specialised talent solutions partner that connects skilled professionals with opportunities to realise their potential. Its name is inspired by the concept of the "extended phenotype." The Company focuses on the Engineering, IT/Tech, BFSI, and related sectors, providing targeted staffing, leadership search, GCC center support, and workforce intelligence services. Its approach combines consulting expertise with scalable processes and modern tools to efficiently identify and hire talent.

¹ [world-economic-outlook-october-2025](#)

² [global-economic-outlook-shows-modest-change-amid-policy-shifts-and-complex-forces](#)

³ [PressReleasePage.aspx](#)

⁴ [PressReleasePage.aspx](#)

⁵ [staffingindustry.com+2staffingindustry.com+2](#)

⁶ [manpowergroup.co.in+2firstmeridian.com+2](#)

⁷ [wheebox.com+1](#)

⁸ [staffingindustry.com+1](#)

⁹ [NLB Services+1](#)

¹⁰ [The Guardian+1](#)

¹¹ [nCube -+1](#)

¹² [NLB Services+1](#)

¹³ [The Economic Times+1](#)

¹⁴ [manpowergroup.co.in+1](#)

Service Portfolio

• **Specialist Staffing**

Xpheno provides high-skill staffing solutions across various sectors, including Engineering, IT/Tech, BFSI, and Consumer and Retail. By leveraging a vast talent pool and a rigorous assessment framework, the Company assists clients with both contract and contract-to-hire staffing models, allowing for quick deployment of qualified professionals.

• **Leadership Hiring**

Xpheno offers Direct Hire and Executive Search services for mid-senior and specialised positions, including C-Suite, Vice Presidents, functional heads, and site leads for Global Capability centers. Their retained search framework emphasises cultural fit, diversity, and global readiness, following a model of "Skill, Speed, Scale, State, Price."

• **GCC Talent Solutions**

As the Indian talent ecosystem increasingly plays a strategic role in global operations, Xpheno is positioning itself as a partner for multinational organisations looking to establish or scale Global Capability centers. Its offerings include talent mapping, sourcing, deployment (contract or contract-to-hire), and location intelligence to help operationalise India-based delivery centers.

• **Project-based and Contract Staffing**

In addition to permanent hires, Xpheno offers support for large-scale contract staffing assignments and ramp-up models designed to facilitate rapid hiring, particularly for technology and engineering research and development functions.

• **Market Intelligence and Talent Insights**

Xpheno utilises research-based insights and content, including blogs and outlook reports, to

provide clients and talent with market intelligence on hiring trends, skill demand, GCC dynamics, and workforce evolution.

Digital and Tech-Enabled Platforms

All of the services mentioned are supported by a technology-enabled infrastructure that includes sourcing and assessment tools, workflow automation, analytics, and client dashboards. For instance, Xpheno's Udupi Center of Excellence enhances the delivery process by providing dedicated sourcing, deployment, and talent-hosting operations.

Both candidates and clients benefit from streamlined onboarding processes, such as electronic offer letters and e-onboarding. They also gain access to real-time workforce analytics and compliance governance through mobile applications like Xconnect, which features geo-tagging and geo-fencing capabilities.

Internal Control Systems and Their Adequacy

Xpheno Private Limited prioritises a robust internal control framework to ensure operational efficiency, accurate financial reporting, compliance with legal requirements, and asset protection. As a talent solutions firm, it has controls that support agility and accountability. Key focus areas include:

- Authorisation and accuracy of transactions.
- Asset and data safeguarding through secure infrastructure and compliance reviews.
- Adherence to labour, tax, and corporate governance regulations.
- Continuous monitoring and improvement via audits and management reviews.

For FY 2024-25, internal control systems were reviewed and found adequate and effective, with no material weaknesses noted.

Cautionary Statement

Statements in this report describing the Company's objectives, projections, estimates, expectations, or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ significantly

due to factors such as economic changes, industry dynamics, client demand, regulatory shifts, and other unforeseen factors. Xpheno Private Limited assumes no responsibility to publicly amend, modify, or revise any forward-looking statements, based on subsequent developments, information, or events, except as required by applicable law.

Report of the Board of Directors

To the Members,

Your Directors have pleasure in presenting the 9th Annual Report on the business and operations together with the audited accounts of your Company for the year ended 31st March 2025.

1. FINANCIAL HIGHLIGHTS

The highlights of the financial results of your company for the year ended 31st March 2025 as compared with the previous year are as follows -

Particulars	2024-25	2023-24
	(Amount in ₹ Lakhs)	
Total Income		
· Revenue from Operations	27,338.86	18,595.77
· Other Income	43.52	78.75
Total Expense	26,724.21	18,512.98
Profit /(loss) before Tax	658.17	161.54
Less: Provision for tax		
Current Tax	37	3.98
Deferred Tax (net)	(5.08)	2.94
Net Profit /(Loss)	626.25	154.62

2. PERFORMANCE OF THE COMPANY

During the year under review, your company reported a total revenue of ₹ 27,382.38/- Lakhs as against total revenue of ₹ 18,674.52/- Lakhs for the previous year and generated a net profit of ₹ 626.25/-, as against the net profit of ₹ 154.62/-Lakhs for the previous year.

There are no material changes and commitments subsequent to the close of the financial year affecting the financial position of the company.

3. DIVIDEND

In view of the planned business growth, your Board deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended 31st March 2025.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

5. RESERVES

There are no specific transfers to the reserves. The Profit of ₹ 626.25/- Lakhs is transferred to the Reserves and Surplus account in the Balance Sheet.

6. CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business of the Company during the year.

7. SIGNIFICANT AND MATERIAL ORDERS

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Current Directors of the Company are

Name	Designation	Date of Appointment	Date of Resignation
Airody Kamal Karanth	Director	2 nd December 2016	-
Ethanur Thuppale Anil Kumar	Director	1 st June 2017	-
Ramasastri Ambarish	Director	14 th September 2017	-

There were no changes in the board during the year and the directors are not liable to retire by rotation.

9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any other Joint Ventures/Associate Companies.

The Company has incorporated a wholly owned subsidiary by the name Xpheno Inc on 18th September 2023 and holds 99.98% of shareholding in the Subsidiary Company. The details of subsidiary in AOC-1 is given as per ANNEXURE-I.

10. SECRETARIAL AUDIT REPORT

Your Company being a Private Limited Company, provisions of Section 204 of the Act does not apply.

11. NUMBER OF MEETINGS

During the year under review, in the following days various meetings have been conducted:

Sl. No.	Type of Meeting	Date of Meeting	Attendance		
			Kamal Karanth Airody	Ethanur Thuppale Anil Kumar	Ramasastri Ambarish
1.	Board Meeting	22 nd April 2024	Present	Present	Present
2.	Compensation Committee	23 rd July 2024	Present	Present	Present
3.	Board Meeting	12 th August 2024	Present	Present	Present
4.	Audit Committee Meeting	12 th August 2024	Present	Present	Present
5.	Annual General Meeting	13 th September 2024	Present	Present	Absent
6.	Board Meeting	3 rd December 2024	Present	Present	Present
7.	Board Meeting	28 th March 2025	Present	Present	Present

The Intervening gap between any two consecutive Board meetings was within the period prescribed under the Companies Act, 2013. During the year, the Company has complied with applicable Secretarial Standards.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby state that –

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and 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 31st March 2025 and of the profit of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Company being unlisted private Company need not lay down internal financial controls. However, the Company has in place adequate internal financial controls with reference to the financial statements.

vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. STATUTORY AUDITORS

M/s Manohar Chowdhry & Associates, Chartered Accountants, Bangalore (FRN:001997S) have been appointed in the fifth Annual General Meeting for a period of five years i.e., for the FY 2021-22 to 2025-26 pursuant to the provisions of Section 139 of the Companies, Act 2013.

M/s Manohar Chowdhry & Associates, Chartered Accountants have conducted the audit and have signed the financials for the period 2024-25.

Their appointment shall continue for the remaining financial year i.e., FY 2025-26.

14. AUDITORS' REPORT

The Auditors report does not contain any qualification, Notes to Accounts and Auditors remarks in the report are self-explanatory and do not call for any further comments.

B. Issue of employee stock options

Your Company believes that its success is largely determined by the quality of its workforce and their commitment towards achieving the goals of the Company. In order to enable the employees of the Company to participate in the future growth and success of your Company, Xpheno Employee Stock Option Scheme-2021 was adopted by the Company:

ESOP Plan	Size of the ESOP (In terms of Number of Options)	Options issued under the plan	Option Lapsed/Cancelled	Options Exercised	Unallocated ESOP
Xpheno Employee Stock Option Scheme-2021	4,00,000	3,38,490	33,000	15,245	1,09,755

17. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The provisions relating to Vigil mechanism does not apply to your company as the Company has not:

- a) accepted any deposits from public.
- b) borrowed money from Banks and Public financial institutions in excess of fifty crore rupees.

15. FRAUDS REPORTED UNDER SECTION 143 (12)

There are no frauds reported by the Auditors under Section 143(12) during the financial year.

16. SHARE CAPITAL

During the year under review, the Company has not issued Equity shares.

Pursuant to Rule 9B of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 inserted vide MCA Notification dated 27th October 2023 applicable to all private companies except small companies, the Company has provided facility to existing shareholders for dematerialization by obtaining International Securities Identification Number (ISIN) for its Equity shares from CDSL and NSDL vide ISIN no INEOUJT01019.

A. Issue of sweat equity shares

The Company has not issued any sweat equity shares during the financial year as per Section 54(1) of the Act and Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014.

18. DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Act from any person other than members, during the year under review.

During the period ending 31st March 2025 the Company had repaid the unsecured loan of ₹ 150/-Lakhs to Ms. Kripa Mady, the member of the Company. The said loan was within the limit prescribed under provisions of Companies Act, 2013.

19. PARTICULARS OF EMPLOYEES

None of the employees of the company is drawing remuneration in excess of the limit prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The operations of the company are not energy intensive. Hence, the provisions of the Section 134(3)(m) of the companies Act, 2013 do not apply to your Company. However adequate measures have been taken to reduce energy consumption by using energy efficient equipment.

21. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned an income in foreign exchange of ₹ 31.16 Lakh and an outgo in Foreign Exchange of ₹ 48.75 Lakh during the year under review. During the previous year there was an outgo in Foreign Exchange of ₹ 56.80 Lakh.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, the Company has not given any Loans, guarantees or provided security to any other body corporate or persons.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business.

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 are furnished in "Annexure B".

24. RISK MANAGEMENT POLICY

The Board seeks to minimize the adverse impact of risks on the key objectives of the Company. The Board encompasses practice of risk identification, assessment and reduces therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and take necessary steps to mitigate.

25. COMPANY'S CORPORATE SOCIAL RESPONSIBILITY

The provisions of the corporate social responsibility as contained under the Companies act, 2013 is not applicable to the Company for the FY 2024-25 as the net profit before tax does not exceed ₹ 5 Crore. However, as a good corporate governance the Company has spent an amount of ₹ 4,99,400/- on CSR related activities.

Hence there is no specific disclosure provided.

26. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to the financial statements. During the year under review, such controls were tested and no reportable weakness in the design and operation were observed.

27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE ACT, 2013

In order to prevent sexual harassment of women at work place a new Act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December 2013.

Your Company is committed to provide a safe and secure work environment to its women employees. The details of compliants received by the committee is as provided below:

(a) number of complaints of sexual harassment received in the year; and	NIL
(b) number of complaints disposed off during the year;	NIL
(c) number of cases pending for more than ninety days	NIL

28. STATEMENT BY THE COMPANY WITH RESPECT TO THE COMPLIANCE WITH THE PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961

The Company is fully committed to complying with all provisions of the Maternity Benefit Act, 1961. The Company recognizes the importance of supporting its female employees during pregnancy and after childbirth, and strive to provide a supportive and inclusive work environment.

29. HUMAN RESOURCES

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your company’s thrust is on the promotion of talent internally through job rotation and enlargement.

30. AUDIT COMMITTEE

Your Company being a Private limited need not constitute an Audit committee.

However, as a Good Corporate Governance, the Company has constituted an Audit Committee.

31. NOMINATION AND REMUNERATION COMMITTEE

Your Company being a Private Limited Company need not constitute a Nomination and Remuneration Committee.

However, as a Good Corporate Governance, the Company has constituted a Nomination and Remuneration Committee.

32. DECLARATION OF INDEPENDENT DIRECTORS

Your Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

36. OTHER MATTERS

The following disclosures are not applicable to this Company and hence no reporting is required:

Sl. No	Particulars	Section & Rules
1.	Receipt of Any Commission By MD / WTD From A Company Or For Receipt Of Commission/ Remuneration From Its Holding Or Subsidiary	Section 197(14) of the Companies Act,2013.
2.	Managerial Remuneration	Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3.	Statement Indicating the Manner in Which Formal Annual Evaluation Has Been Made By The Board Of Its Own Performance, Its Directors, And That Of Its Committees	Section 134(p) read with Rule 8(4) of Companies (Accounts) Rules, 2014.
4.	Management Discussion and Analysis Report	Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5.	Maintenance of Cost Records	Section 148(1) of the Companies Act, 2013

33. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year against your Company..

34. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Your Company has not taken such valuation during the year.

35. HOSTING OF ANNUAL RETURN ON COMPANY WEBSITE

The annual return of the Company for the year ended 31st March 2024 has been filed with the Ministry of Corporate Affairs, India.

The annual return of the Company for the year ended 31st March 2025 will be filed when due with the Ministry of Corporate Affairs, India. The same will be hosted on the Company website at the URL <https://www.xpheno.com/contact>.

37. ACKNOWLEDGEMENTS

Your Directors wish to acknowledge their sincere thanks to the Banks, Government Agencies and Shareholders for their support and co-operation

extended to the Company. Your Directors also wish to place on record their appreciation of the efforts put in by all the employees of the Company at all levels.

Place: Bangalore
Date: 17th September 2025

Sd/-
Airody Kamal Karanth
Director
DIN: 03058243

For and on behalf of the Board
Xpheno Private Limited

Sd/-
Ethanur Thuppale Anil Kumar
Director
DIN: 06722095

ANNEXURE-A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

(Amount in Lakhs)	
Details	1
Name of the subsidiary	Xpheno Inc
The date since when subsidiary was acquired	18 th September 2023
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD 85.53
Share capital	₹ 85,359
Reserves & surplus	₹ 39,515
Total assets	₹ 26,59,983
Total Liabilities	₹ 26,59,983
Investments	₹ 0
Turnover	₹ 25,65,900
Profit before taxation	₹ 50,035
Provision for taxation	₹ 10,520
Profit after taxation	₹ 39,515
Proposed Dividend	₹ 0
Extent of shareholding (In percentage)	99.98%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations	-
2. Names of subsidiaries which have been liquidated or sold during the year.	-

Part "B": Associates and Joint Ventures: Not applicable

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

- Names of associates or joint ventures which are yet to commence operations. -Nil
- Names of associates or joint ventures which have been liquidated or sold during the year. -Nil

For and on behalf of the Board
Xpheno Private Limited

Place: Bangalore
Date: 17th September 2025

Sd/-
Airody Kamal Karanth
Director
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
Director
DIN: 06722095

ANNEXURE- B

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

- Details of contracts or arrangements or transactions not at Arm's length basis. – NIL
- Details of contracts or arrangements or transactions at Arm's length basis.

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: (Amount In Lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Xpheno Inc Subsidiary	Interest Expense	Inter corporate Agreement	Ordinary Course of business	4 th September 2023	-
Kripa Mady shareholder	Loan & Interest	Inter corporate Agreement	Ordinary Course of business	1 st February 2022	-

For and on behalf of the Board
Xpheno Private Limited

Place: Bangalore
Date: 17th September 2025

Sd/-
Airody Kamal Karanth
Director
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
Director
DIN: 06722095

Independent Auditor's Report

To the Members of **XPHENO PRIVATE LIMITED**

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the Standalone Financial Statements of M/S. XPHENO PRIVATE LIMITED (the Company) which comprises the Balance Sheet as of 31st March 2025, the Statement of profit and loss, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and Profit for the year and the statement of cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone

Financial Statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and evaluating the results of our work; and
- (ii) Evaluating the effect of any identified misstatements in the Standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government 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. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss, and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as of 31 March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as of 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) According to the provisions of Section 143(3)(i) with regard to opinion on internal financial controls with reference to Standalone Financial Statements and operating effectiveness of such controls refer to our report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts that 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever

by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and

(b) above, contain any material misstatement;

v. The company has not declared and paid any dividend during the year ended 31st March 2025.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2025 which has the feature of recording audit trail (edit log) facility throughout the year and the same has been operated throughout the

year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

(C) With respect to the matter to be included in the Auditors' Report under section 197 (16):

According to the provisions of section 197 read with Schedule V of the Companies Act, reporting of Managerial remuneration, the said provisions are not applicable to the company as the company is a private limited company, hence not commented upon.

For **Manohar Chowdhry & Associates,**
Chartered Accountants
Firm Registration Number: 019975

Sd/-
Janardana Pai R
Partner

Place: Bengaluru Membership No: 208528
Date: 17th September 2025
UDIN: 25208528BMKTGC8862

Annexure A

To the Independent Auditors' report on the Standalone Financial Statements of Xpheno Private Limited for the year ended 31st March 2025.

With reference to the Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the Members of the Company on the Standalone Financial Statements for the year ended 31st March 2025, we report that:

- (i) a. [A] The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.
- [B] The Company has maintained proper records showing full particulars of Intangible assets.
- b. The Company has a program of physical verification of its Property, Plant and Equipment, once a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, the management has conducted physical verification of its Property, Plant and Equipment and no material discrepancies were noticed during such verification.
- c. The Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Therefore, reporting under the clause is not applicable.
- d. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e. No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) [a] The Company does not have any inventory and hence reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- [b] (i) The Company has been sanctioned with working capital limit of ₹ 15 crores, from ICICI Bank during the financial year ended as on 31st March 2025 on the basis hypothecation of current assets (1st Pari passu charge) and Fixed deposit of ₹ 6 crores (Exclusive charge).
- (ii) The Company has been sanctioned the cash credit facilities of 15 crores, from State Bank of India during the financial year ended as on 31st March 2023. On the basis of Hypothecation of current assets (1st Pari passu charge with ICICI Bank)
- (iii) The quarterly and half yearly returns or statements filed by the Company with such bank is generally in agreement with the books of account of the Company, barring certain discrepancies which were not material.

- (iii) (a) According to the information and explanations given to us, during the year, the Company has provided loan to a company as follows;

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiary	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiary	Nil	Nil	Nil	85,485.00

During the year, the Company has not provided loans, stood guarantee and provided security to firms, limited liability partnerships or any other parties.

- (b) The terms and conditions of the grant advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In respect of Interest free advance in the nature of loan granted to wholly owned subsidiary, the schedule of repayment of principal has been stipulated and principal amount is not due for repayment currently.
- (d) There are no amounts advances in the nature of loans granted to companies which are overdue for more than ninety days.
- (e) The Company has not granted any loan which has fallen due during the year. There are no overdue loans that existed as at the beginning of the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 and section 186 of the Act apply.
- (v) The Company has accepted an unsecured loan in the nature of a deposit of ₹ 1.50 Cr from one of the shareholders on 5th February 2022 and the repayment has been made on 29th January 2025 and the company has complied with the provisions of sections 73 to 76 of the Act and the Rules made thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 for any of the services rendered by the Company. Accordingly, the provisions of paragraph 3(vi) of the Order are not applicable.
- (vii) (a). According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular

in depositing undisputed statutory dues including Goods and Service Tax, Income-Tax, Cess, and other statutory dues to the appropriate authorities, except few months of delay in case of Provident Fund due to Aadhar Failure of employees and new joiners pending details.

As on 31st March 2025, there is a sum of ₹ 23,575 outstanding in respect of Provident fund which is more than six months from the date they became payable. However, the above outstanding is due to Aadhar failure of the employees due to which the payment can not be made in the portal.

Further, according to the information and explanations given to us, no undisputed amounts

payable in respect of Goods and Service Tax, Employees' State Insurance, Income-Tax, Cess and other material statutory dues were in arrears as of 31st March 2025, for a period of more than six months from the date they became payable. However, there are some discrepancies in Professional Tax and Provident fund but the aggregate amount is not material.

- (b). According to the information and explanations given to us, there are no dues of Income-Tax, Goods and Service Tax, Duty of Customs and Cess which have not been deposited with the appropriate authorities by the Company on account of any disputes.
- (viii) According to the information and explanations given to us, there are no transactions that are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) [a] In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- [b] According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution, or other lender.

- [c] According to the information and explanations given to us, the company has term loans availed by the Company during the year, were applied by the Company for the purposes of which the loans were obtained.
- [d] Company has not utilized the fund raised on a short-term basis for any long-term purposes.
- [e] According to the information and explanations given to us, the Company has not specifically taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate companies or joint ventures.
- [f] According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate companies or joint ventures.
- (x) [a] In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 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 or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year. Accordingly, paragraph 3(xi) (a) of the Order is not applicable to the Company.
- (b) No report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government has been filed.
- (c) According to the information and explanations given to us, there are no whistle-blower complaints received by the company during the year. Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations are given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) [a] The company has an internal audit in place even though it is not mandatorily required and it is commensurate with the size and nature of its business.
- [b] We have considered the reports of the Internal Auditors for the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, paragraphs 3(xvi) (a) to (d) of the Order are not applicable.
- (xvii) The company has not incurred any cash loss in the financial year and in the immediately preceding financial year.
- (xviii) During the year, there has been no resignation of the statutory auditors and accordingly reporting under this paragraph is not applicable.
- (xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, and other information accompanying the Standalone Financial Statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, paragraphs 3 (xx) (a) and (b) of the Order are not applicable to the Company.
- (xxi) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order"), according to the information and explanations given to us, CARO 2020 is not applicable to the subsidiary included in the consolidated financial statements. Therefore, reporting under this clause is not applicable

For **Manohar Chowdhry & Associates,**
Chartered Accountants
Firm Registration Number: 019975

Sd/-
Janardana Pai R
Partner
Membership No: 208528
UDIN: 25208528BMKTGC8862
Place: Bengaluru
Date: 17th September 2025

Annexure “B”

To The Independent Auditor’s Report

[Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory requirements in the Independent Auditors’ Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to the Standalone Financial Statements of M/s. Xpheno Private Limited (“the Company”) as of 31st March 2025, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company’s internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, on considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For **Manohar Chowdhry & Associates,**
Chartered Accountants
Firm Registration Number: 019975

Sd/-
Janardana Pai R
Partner
Membership No: 208528
UDIN: 25208528BMKTGC8862
Place: Bengaluru
Date: 17th September 2025

Standalone Balance Sheet

as at 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 st March 2025	For the year ended 31 st March 2024
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	441.52	441.52
(b) Reserves and surplus	4	2,529.95	1,781.07
2 Non-Current liabilities			
(a) Long-term borrowings	5	103.61	115.92
(b) Long-term provisions	6	273.06	127.44
(b) Deferred Tax Liability			
3 Current liabilities			
(a) Short Term Borrowings	7	379.18	736.61
(b) Trade Payable - Total Outstanding dues of			
(i) Micro and Small Enterprises	8	68.82	27.03
(ii) Creditors Other than Micro and Small Enterprises		65.65	15.62
(c) Short-term provisions	9	19.75	5.60
(d) Other Current Liabilities	10	2,487.73	1,388.53
TOTAL		6,369.28	4,639.35
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	11	353.66	176.21
(ii) Intangible Assets	11	150.89	167.65
(iii) Work in progress	11	137.82	-
(b) Non-current investments	12	0.83	0.83
(c) Deferred tax Asset (Net)	13	41.71	36.62
(d) Other Non Current Assets	14	229.23	130.25
2 Current assets			
(a) Trade Receivables	15	2,807.93	1,969.62
(b) Cash and Cash Equivalents	16	602.13	527.00
(c) Short term loans and advances	17	200.82	173.50
(d) Other Current Assets	18	1,844.26	1,457.67
(d) Other Current assets	-		
TOTAL		6,369.28	4,639.35
Summary of Significant Accounting policies	1&2		

As per our report of even date

For and on behalf of the board

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Reg. No. 001997S

Sd/-
Kamal Karanth Airody
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
DIN: 06722095

Sd/-
Janardana Pai R
Partner
Membership No 208528
UDIN: 25208528BMKTGC8862

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Standalone Statement of Profit and Loss

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 st March 2025	For the year ended 31 st March 2024
1 Revenue:			
Revenue from operations	19	27,338.86	18,595.77
Other income	20	43.52	78.75
Total Income		27,382.38	18,674.52
2 Expenses:			
Direct Cost	21	22,822.28	15,399.88
Employee benefits expenses	22	2,383.34	1,968.22
Finance Costs	23	95.59	70.32
Depreciation expenses	11	66.54	16.45
Other expenses	24	1,356.47	1,058.12
Total expenses		26,724.21	18,512.98
3 Profit before tax		658.17	161.54
4 Tax expense:			
(1) Current Tax (including taxation for earlier years)		37.00	3.98
(2) Deferred tax	13	(5.08)	2.94
5 Profit after Tax		626.25	154.62
6 Earnings per equity share of face value of ₹ 10 each:			
- Basic and Diluted (in ₹)		14.18	3.51
Summary of Significant Accounting policies	1 & 2		

As per our report of even date

For and on behalf of the board**For Manohar Chowdhry & Associates**

Chartered Accountants

Firm Reg. No. 001997S

Sd/-
Kamal Karanth Airody
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
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Sd/-
Janardana Pai R
Partner
Membership No 208528
UDIN: 25208528BMKTGC8862

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Standalone Cash Flow Statement

for the 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Ref	For the year ended 31 st March 2025	For the year ended 31 st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		658.17	161.54
Adjustments for:			
Depreciation		66.54	16.45
Interest From FD		(30.37)	(38.18)
Miscellaneous Income		-	-
Bad debts written off/(Written back)		18.62	(23.33)
Provision for Doubtful deposits		-	-
ESOP Expenses		122.63	(2.94)
Interest expenses		95.59	70.32
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		931.17	183.86
(Increase) / Decrease in net Receivables		(856.92)	295.65
Increase / (Decrease) in Long term Provisions		145.63	33.36
Increase / (Decrease) in Short term Provisions		14.15	1.89
Increase / (Decrease) in Trade Payables		91.82	(7.25)
(Increase)/ Decrease in other current assets		(306.49)	46.64
(Increase)/Decrease in other non current assets		(98.99)	19.98
(Increase)/Decrease in Short term loans and advances		(27.32)	(17.53)
Increase / (Decrease) in Other Current Liabilities		1,099.20	352.19
		61.07	724.93
Cash From Operation before taxes		992.24	908.79
Less: Direct Taxes Paid		117.10	379.84
NET CASH FROM OPERATING ACTIVITIES	(A)	875.14	528.95
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(365.04)	(352.96)
Investment in Fixed deposits (net)		(75.13)	(2.00)
Interest received on fixed deposits		30.37	38.18
NET CASH FROM INVESTING ACTIVITIES	(B)	(409.81)	(316.79)

Standalone Cash Flow Statement

for the 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Ref	For the year ended 31 st March 2025	For the year ended 31 st March 2024
C. CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings (net of repayments)		(369.74)	(142.54)
Proceeds from issue of equity shares		-	1.52
Investment in Subsidiary		-	(0.83)
Interest paid to banks and others		(95.59)	(70.32)
NET CASH FROM FINANCING ACTIVITIES	(C)	(465.33)	(212.16)
Net Increase in Cash and Cash Equivalents	(A)+(B)+(C)	0.00	0.00
Cash and Cash Equivalents at the beginning of the Year		0.00	0.00
Cash and Cash Equivalents at the end of the Year		0.00	0.00
Components of Cash and Cash Equivalents (Refer to Note 16)			
Balance with banks		-	-
Current Accounts		-	-
Fixed deposits with banks (Maturing within 3 Months)		-	-

As per our report of even date

For and on behalf of the board

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Reg. No. 001997S

Sd/-
Kamal Karanth Airody
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
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Janardana Pai R
Partner
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Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

1 Corporate Information

Xpheno Private Limited (the 'Company') incorporated on 2nd December 2016, engaged in the business of Staffing, Human Resources Recruitment and Man Power Supply Services.

2 Summary Of Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company 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, 2015 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on the accruals basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c) Accounting Convention

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Company's Act, 2013. Based on the nature of operation, the Company has ascertained its operating cycle as 12 months for the purposes of current/non-current classification of assets and liabilities.

d) Revenue Recognition

(i) Staffing & Manpower Services

Revenue from manpower services is accounted on accrual basis on performance of the services agreed in the contract with the customers.

(ii) Recruitment

Revenue from permanent recruitment services is recognized on accrual basis on performance of the services agreed in the contract with the customers.

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), while invoicing in excess of revenues are classified as Contract Liability (unearned revenue).

e) Foreign currency translation

(i) 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.

(ii) Conversion

Foreign currency monetary items are reported using the rate as the date of Balance Sheet. 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. 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.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company 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.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

f) Employee Benefits

(i) Defined Benefit Plan

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, done on projected unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income and is transferred to retained earnings in the statement of changes in equity in the balance sheet. Such accumulated re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of employees where defined benefits obligation is backed by customer contracts, liability has been created by debiting the gratuity asset account.

(ii) Defined contribution plan

The Company pays provident fund contributions to the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

g) Income Taxes

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year.

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 are recognized only to the extent that there is reasonable certainty that sufficient future taxable

income will be available to offset such deferred tax assets. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

h) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

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

i) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

j) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

k) Lease

Operating lease payments are recognized as an expense in the Profit and Loss account

l) Deferred tax assets

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

are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

m) Property, Plant and Equipment

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of fixed assets that are not ready to use.

Any improvements in leasehold premises are capitalised as Leasehold Improvements. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

n) Intangible Assets

(i) Acquired Intangible Assets

Intangible assets including software licenses of enduring nature and acquired contractual rights separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(ii) Internally Generated Intangible Assets

Internally generated intangible assets, excluding capitalised development costs are reflected as expenditure in the statement of profit and loss in the reporting year in which these are incurred. For capitalization of software, company has considered payroll cost and indirect cost being immaterial, has not been considered for capitalization.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Capitalised development cost is carried at cost less accumulated amortization and impairment losses, if any.

Intangibles under development include cost of intangibles that are not ready for put to use.

ii) Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining Useful Life.

The management of the company certifies that none of the assets are impaired.

o) Investments

Non current Investments are stated at cost. Provision for diminution in the value of non current investments is made only if such a decline is other than temporary in the opinion of the management

Current Investment are stated at cost or market value Which ever is lower

p) Depreciation and Amortization

(i) On Tangible Assets

Depreciation is provided using the Straight Line Method ("SLM") as per the useful lives of the assets estimated by the management after considering residual value of fixed asset at ₹ 1.00 which is in line with Companies Act;

However, for the Udupi assets other than Udupi Computer and accessories, the useful life was considered to 5 years based on the tenure of the lease agreement.

Sl. No	Assets	Useful Life	Rate
1	Computer and accessories	3	33.33%
2	Office Equipments	5	20.00%
3	Furniture	10	10.00%
4	Car	8	12.50%
5	Mobile Phone	3	33.33%
6	Udupi Furniture & Fixture, PPE & Office equipment	5	20.00%

*Individual assets whose cost does not exceed ₹ 5,000/- are fully depreciated in the year of acquisition.

(ii) On Intangible Assets

Amortization is provided using the Straight Line Method ("SLM") as per the useful lives of the assets estimated by the management at the rates prescribed under Schedule II of the Companies Act, 2013.

Sl. No	Assets	Useful Life	Rate
1	Software	10	10.00%

The Software has been developed inhouse and is expected to be used for indefinite period and hence the management has assessed life of the asset to be 10 years.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

3 Share capital

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	Number	Amount	Number	Amount
Authorised				
50,00,000 Equity shares of ₹ 10/- each	5,000,000	500.00	5,000,000	500.00
Issued, Subscribed & Paid up				
44,15,245 Equity shares of ₹ 10/- each	4,415,245	441.52	4,415,245	441.52
Total	4,415,245	441.52	4,415,245	441.52

3A Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the period	4,415,245	441.52	4,400,000	440.00
Shares Issued during the period			15,245	1.52
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	4,415,245	441.52	4,415,245	441.52

3B Terms /Rights attached to Equity Shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. No dividend has been proposed by the board of directors.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

The Company has neither issued bonus shares nor there has been any buy back of shares since the Incorporation of the Company

3C Details of Shareholders holding more than 5% Shares in the Company

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kamal Karanth Airody	20,66,998	46.82%	20,66,998	46.82%
Ethanur Thuppale Anil Kumar	11,50,000	26.05%	11,50,000	26.05%
Devaki Kedillaya	3,62,400	8.21%	3,62,400	8.21%
Sabyasachi Dash	2,61,250	5.92%	2,61,250	5.92%
TOTAL	38,40,648	86.99%	38,40,648	86.99%

3D There are no calls unpaid by the directors and officers.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

3E Disclosure of shares held by the promoters

Name of the Promoters	During the FY 2024-25				% Change During The Year
	For the year ended 31 st March 2025		For the year ended 31 st March 2024		
	Numbers	% holding in the class	Numbers	% holding in the class	
Kamal Karanth Airody	20,66,998	46.82%	20,66,998	46.82%	0.00%
Ethanur Thuppale Anil Kumar	11,50,000	26.05%	11,50,000	26.05%	0.00%

Name of the Promoters	During the FY 2023-24				% Change During The Year
	For the year ended 31 st March 2024		For the year ended 31 st March 2023		
	Numbers	% holding in the class	Numbers	% holding in the class	
Kamal Karanth Airody	20,66,998	46.82%	20,66,998	46.98%	-0.16%
Ethanur Thuppale Anil Kumar	11,50,000	26.05%	11,50,000	26.14%	-0.09%

4 Reserves and Surplus

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(a) Securities premium account		
Opening Balance	583.72	570.00
Add: Premium received during the year	-	13.72
Closing Balance	583.72	583.72
(b) Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	1,059.17	904.55
Add: Profit for the year	626.25	154.62
Closing Balance	1,685.42	1,059.17
(c) Share based payment reserve account		
Opening Balance	138.18	154.84
Add: Issue of ESOPs during the year	122.63	(16.66)
Closing Balance	260.81	138.18
Total	2,529.95	1,781.07

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

5 Long-term borrowings

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	Non Current Maturities	Current Maturities	Non Current Maturities	Current Maturities
Secured Loan				
HDFC Bank Ltd (Secured against hypothecation of Vehicle - MG Hector)	15.33	5.26	20.18	5.40
Bank of India (Secured against hypothecation of Vehicle- Tata Safari)	16.56	6.92		
Bank of India (Secured against hypothecation of Vehicle - BMW)	71.73	25.61	95.75	27.29
Total	103.61	37.79	115.92	32.69

a) Loan from HDFC Bank was taken during the year 2023-24. The Loan is repayable in 60 monthly instalments of ₹ 56,966/- each starting from 7th Oct 2023 along with interest @ 8.60%, from the date of loan.

The Loan is secured by hypothecation of vehicle of the company and loan will be maturing in the year 07th Sept 2028. The amount of principal repayable within next operating cycle has been disclosed under short term borrowings which has similar terms.

b) Loan from Bank of India was taken during the year 2023-24. The Loan is repayable in 60 monthly instalments of ₹ 2,77,188/- each starting from 30th August 2023 along with interest @ 8.85% from the date of loan.

The Loan is secured by hypothecation of vehicle of the company and loan will be maturing in the year 30th July 2028. The amount of principal repayable within next operating cycle has been disclosed under short term borrowings which has similar terms.

c) Loan from Bank of India was taken during the year 2024-25. The Loan is repayable in 48 monthly instalments of ₹ 72,869/- each starting from 30th May 2024 along with interest @ 8.95% from the date of loan.

The Loan is secured by hypothecation of vehicle of the company and loan will be maturing in the year 30th April 2028. The amount of principal repayable within next operating cycle has been disclosed under short term borrowings which has similar terms.

6 Long-term provisions

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Provision for Employee Benefits - Gratuity	273.06	127.44
Total	273.06	127.44

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

7 Short-term borrowings

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
a) Loans repayable on demand		
i) Loans and advances from related parties	-	-
b) Deposits		
i) Unsecured Loan from shareholder (refer note below)	-	150.00
c) Other loans and advances		
Secured		
i) Cash credits	341.39	553.92
ii) Current Maturities of Long Term of loan term borrowings	37.79	32.69
Total	379.18	736.61

Note:

a) During the year ended 31st March 2025, the Company obtained cash credit facilities from ICICI bank to the extent of upto ₹ 1500.00 lakhs at an interest rate of 9.25% secured against trade receivables of the Company and lien on the fixed deposits of ₹ 600.00 lakhs with them and personal guarantee of the directors. There was an overdraft balance as of 31st March 2025 amounting to ₹ 343.60 lakhs.

b) During the year ended 31st March 2023, the Company obtained cash credit facilities from State Bank of India to the extent of upto ₹ 1000.00 lakhs secured at an interest of 9.30% against trade receivables of the Company. During Dec 2024 the cash credit facility from SBI was increased to ₹ 1500 Lakhs. There was an positive balance as of 31st March 2025 amounting to ₹ 2.22 lakhs (31st March 2024: overdraft ₹ 539.19)

c) During the year ended 31st March 2022, the Company had obtained an unsecured loan of ₹ 150 lakhs from a shareholder @ 6% p.a. payable annually at the end of each financial year. The Same has been repaid as on 29 Jan 2025 along with interest of 6% from April 2024 to Jan 2025.

d) During the year ended 31st March 2025, the Company has repaid the cash credit facilities availed from Bank of India to the extent of upto ₹ 1500.00 lakhs which was secured against trade receivables of the Company and lien on the fixed deposits with them. The closure of the facility was done on 11 Feb, 2025.

8 Trade payables

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Trade payables		
Dues of Micro and Small Enterprises	68.82	27.03
Dues of creditors other than Micro Small Medium Enterprises	65.65	15.62
Total	134.47	42.65

Note:

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Aging schedule of Trade Payables

As at 31st March 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) MSME	53.36	15.46	-	-	-	68.82
(ii) Others	52.10	13.54	-	-	-	65.65
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	105.46	29.00	-	-	-	134.47

As at 31st March 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) MSME	13.43	13.60	-	-	-	27.03
(ii) Others	3.74	11.14	0.19	0.16	0.39	15.62
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	17.16	24.75	0.19	0.16	0.39	42.65

9 Short-term provisions

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Provision for Gratuity	19.75	5.60
Total	19.75	5.60

10 Other Current Liabilities

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Employees Benefits Payable	1,665.21	819.08
Provision for Expenses	27.61	27.82
Statutory Payable	774.12	533.05
Amount Payable for investment in Subsidiary	-	0.83
Advance from customer	11.74	7.76
Rent equalisation reserve	9.05	-
Total	2,487.73	1,388.53

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

11 Property, Plant and Equipment, Intangible assets and Depreciation:

SI No	Assets	Gross Block			Accumulated Depreciation			Net Block		
		As at 1 st April 2024	Additions Upto 31 st March 2025	Deletions Upto 31 st March 2025	As at 1 st April 2024	Depreciation for the current year	Deletions Upto 31 st March 2025	As at 31 st March 2025	As at 31 st March 2024	
1	Property, Plant and Equipment									
	Computer and accessories	15.52	4.02	-	9.28	4.35	-	13.63	6.23	
	Office Equipments	3.15	4.66	-	0.42	0.91	-	1.33	2.73	
	Furniture	0.48	-	-	0.01	0.05	-	0.06	0.47	
	Car	178.35	33.23	-	12.34	26.19	-	38.53	166.01	
	Mobile Phone	1.45	0.10	-	0.67	0.03	-	0.70	0.78	
	Udupi	-	-	-	-	-	-	-	-	
	PPE	-	68.46	-	-	6.71	-	6.71	61.75	
	Furniture & Fixture	-	72.46	-	-	7.09	-	7.09	65.36	
	Office Equipment	-	38.34	-	-	3.30	-	3.30	35.04	
	Computers and Peripherals	-	5.98	-	-	1.15	-	1.15	4.83	
2	Intangible Asset									
	Impiger	167.65	-	-	-	16.76	-	16.76	150.89	
	Total	366.60	227.23	-	22.73	66.54	-	89.27	504.55	
	Previous year	17.83	353.18	4.42	10.49	16.45	4.20	22.73	343.86	
3	Work in Progress									
	Software Impiger	-	136.27	-	-	-	-	-	136.27	
	Studio	-	1.54	-	-	-	-	-	1.54	
	Total	-	137.82	-	-	-	-	-	137.82	

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

12 Non-current investments

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Xpheno INC	0.83	0.83
Total	0.83	0.83

12.1

Particular	As on 31 st March 2025	As on 31 st March 2024
1. Investment in Equity Shares		
a) Investment in Subsidiary Companies		
Unquoted		
1. XPHENO INC	0.83	0.83
Total	0.83	0.83

Additional Information: Xpheno Private Limited holds 998 shares i.e 99.8% of shareholding in Xpheno INC which was incorporated on 18th September 2023, in USA and is engaged in the business of Staffing, Human Resources Recruitment and Man Power Supply Services in USA.

13 Deferred Tax Assets(Net)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Provision for Bad & Doubtful Debts	3.78	6.92
Depreciation on Property, Plant & Equipment	(8.67)	(3.78)
Provision for gratuity	46.60	33.48
Any other item of temporary differences	-	-
Total	41.71	36.62

14 Other Non Current Assets

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Security Deposit	121.59	130.25
Gratuity-Asset	107.64	-
Total	229.23	130.25

Note: The Gratuity Provision for certain employees where obligation is backed by customer contracts, liability has been created by debiting the gratuity asset account. However, as no valuation report was obtained for these employees during the previous year, the asset has been reported as nil for previous year.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

15 Trade Receivables

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Unsecured Considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment		-
Others	2,807.93	1,969.62
	2,807.93	1,969.62
Unsecured Considered Doubtful		
Others	15.00	27.50
Less:- Provision for Doubtful Debts	(15.00)	(27.50)
	-	-
Total	2,807.93	1,969.62

Aging schedule of Trade Receivables

As at 31st March 2025

Particulars	Outstanding for following periods from due date of Payment						Total
	Current / Not Due	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,287.15	532.64	3.15	-	-	-	2,822.93
(ii) Undisputed Trade Receivables - considered doubtful						-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	2,287.15	532.64	3.15	-	-	-	2,822.93
Less: Allowance for doubtful trade receivables							(15.00)
							2,807.93
Trade Receivables - Unbilled							1,064.98
							3,872.91

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

As at 31st March 2024

Particulars	Outstanding for following periods from due date of Payment						Total
	Current / Not Due	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,765.96	203.66	-	-	-	-	1,969.62
(ii) Undisputed Trade Receivables - considered doubtful	-	-	23.46	4.04	-	-	27.50
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
	1,765.96	203.66	23.46	4.04	-	-	1,997.12
Less: Allowance for doubtful trade receivables							(27.50)
							1,969.62
Trade Receivables - Unbilled							741.50
							2,711.12

16 Cash and Cash Equivalents

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Balance with banks		
Current Account	-	-
Fixed deposits with banks	602.13	527.00
Total	602.13	527.00

Note: Fixed Deposits of 600 is marked as lien against credit limits obtained from the ICICI Bank at ROI of 7.3% p.a. Fixed Deposit of 2.13 is Bank guarantee given against performance of contract from the BOI bank at ROI 6.8% p.a.

17 Short term loans and advances

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Prepaid Expenses	199.96	171.26
Advances receivable in cash or kind	-	1.46
Other Receivables	0.85	0.78
Total	200.82	173.50

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

18 Other Current Assets

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Unsecured, considered good		
Advance to Staff	23.65	5.83
Unbilled revenue	1,064.98	741.50
Interest Accrued on Fixed Deposit but not due	5.89	40.70
Balances with Income Tax Authorities	749.75	669.65
Total	1,844.26	1,457.67

19 Revenue from Operations

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Income from Staffing and Recruitment Services	27,338.86	18,595.77
Total	27,338.86	18,595.77

20 Other Income

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest from FD	30.37	38.18
Interest on Income tax Refund	13.03	17.02
Interest Income	0.08	-
Exchange Gain	0.05	0.22
Bad debts written Back	-	23.33
Total	43.52	78.75

21 Direct Cost

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salaries & Wages	22,822.28	15,399.88
Total	22,822.28	15,399.88

22 Employee Benefits Expenses

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salaries & Wages	1,882.53	1,689.48
Director Remuneration	197.01	174.32
ESOP Expenses	122.63	(2.94)
Gratuity	59.91	35.24
Contribution to Provident and Other Funds	59.25	60.59
Staff welfare	62.01	11.52
Total	2,383.34	1,968.22

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

23 Finance Costs

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest on bank Overdraft	74.34	46.31
Interest-Others	21.26	24.01
Total	95.59	70.32

24 Other Expenses

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Professional Fees	438.30	349.14
Rent	330.41	234.06
Equipment Hire charges	175.26	159.07
Marketing Expenses	142.84	100.16
Travelling Expenses	140.81	81.08
Car lease expense	26.35	25.46
Bad debts written off	18.62	-
Database Access Charges	17.21	21.35
Insurance expenses	15.54	14.21
Communication Expenses	14.46	31.33
Bank Charges	10.07	10.85
Miscellaneous Expenses	7.85	9.76
Printing & Stationery	5.67	4.73
CSR Expenditure	4.99	8.56
Auditor's Remuneration (Refer 24.1)	4.00	4.00
Rates and Taxes	4.10	4.37
Total	1,356.47	1,058.12

24.1 Auditors Remuneration

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Statutory Audit Fees	3.63	3.63
Tax Audit Fees	0.38	0.38
	4.00	4.00

25 Contingent Liabilities & Commitments

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
i) Estimated amount of contracts remaining to be executed on Capital Account	NIL	NIL
ii) Bank Gurantee	2	2

The contingent liability of ₹ 2 lakh primarily pertains to a performance guarantee issued to a client.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

26 Employee benefit obligations

a) The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee Benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Table 1: Reconciliation of defined benefit obligation

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Liability at the beginning of the year	133.04	97.79
Current service cost	132.16	55.71
Interest cost	9.29	7.33
Benefits paid	(7.77)	-
Past service cost	44.76	-
Actuarial loss/(gain)	(18.65)	(27.80)
Liability at the end of the year	292.81	133.04

Table 2: Expenses recognised in the statement of profit and loss (net)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Current service cost	132.16	55.71
Interest cost	9.29	7.33
Past service cost	44.76	-
Actuarial loss/(gain)	(18.65)	(27.80)
Gratuity Asset	(107.64)	-
Expense/(gain) recognised in the statement of profit and loss (refer note 22)	59.91	35.24

Table 3: Recognised in the balance sheet

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Present value of defined obligation	292.81	133.04
Fair value of plan assets	-	-
Net liability	292.81	133.04
Less: unrecognised past service cost	-	-
Net liability recognised in the balance sheet	292.81	133.04
Non current liability (refer note 5)	273.06	127.44
Current liability	19.75	5.60

Table 4: Actuarial assumptions

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salary growth rate	7.50% p.a.	7.50% p.a.
Discount rate	6.73% p.a.	7.19% p.a.
Withdrawal/attrition rate	30% p.a.	30% p.a.
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Actuarial assumptions for Non core employees backed by customer contracts

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salary growth rate	5.00% p.a.	NA
Discount rate	6.62% p.a.	NA
Withdrawal/attrition rate	50% p.a.	NA
Mortality rate	IALM 2012-14 (Ult.)	NA

Table 5: Experience adjustments

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Defined benefit obligation	292.81	133.04
Fair value of plan assets	-	-
Surplus/(deficit)	(292.81)	(133.04)
Experience adjustment on plan liabilities: (gain)/loss	(24.52)	(30.75)
Experience adjustment on plan assets: (gain)/loss	NA	NA

27 Segment Reporting

The Company has only one reportable segment i.e. Recruitment and Staffing Services per Accounting Standard 17 on Segment reporting as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

Secondary segment reporting: The Company does not have geographical distribution of revenue hence the secondary segmental reporting based on geographical location of its customers is not applicable to the Company.

28 Earning per Share (EPS)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Net Profit after taxation	626.25	154.62
Weighted average number of shares outstanding during the period	44,15,245	44,00,083
Basic earnings and Diluted earning per share (Face value of ₹10 per share)	14.18	3.51

29 Related Party Disclosures

a Names of related parties and related party relationship:-

Parties exercising significant influence

KAMAL KARANTH AIRODY	Director
ETHANUR THUPPALE ANIL KUMAR	Director
KRIPA MADY	Share Holder
Xpheno INC	Subsidiary

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

b Transaction During the year

Sl. No	Name of Related Party	Nature of transaction	Transaction during the year
1	KAMAL KARANTH AIRODY	Salary paid	111.26
2	ETHANUR THUPPALE ANIL KUMAR	Salary paid	85.75
3	KRIPA MADY	Interest paid	7.20
4	KRIPA MADY	Loan repaid	150.00
5	Xpheno INC	Interest on outstanding balance accounted	0.08

Note:

- The above transactions do not include reimbursement of expenses and contribution to provident funds which is accounted in the respective heads of accounts.
- The above information has been determined to the extent of such parties being identified on the basis of information provided by the Company which has been relied upon by the auditors.

c Closing balances

Sl. No	Name of Related Party	As on 31 st March 2025	As on 31 st March 2024
1	KAMAL KARANTH AIRODY	-	-
2	ETHANUR THUPPALE ANIL KUMAR	-	-
3	KRIPA MADY	-	150.00
4	Xpheno INC	0.85	0.78

30 Income and Expenditure in Foreign Currency

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
i) Expenditure in foreign currency	48.75	56.80
ii) Earnings in foreign currency	31.16	-

31 Corporate Social Responsibility (CSR): The Company is covered under Section 135 of the Companies Act. Below are the details as required to be presented under the Schedule III

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Amount required to be spent by the company during the year	0	8.56461
Amount of expenditure incurred	4.99	8.56461
(shortfall)/excesss at the end of the year	4.99	0
total of previous years shortfall	Not Applicable	Not Applicable
reason for shortfall	Not Applicable	Not Applicable

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
nature of CSR activities	<ul style="list-style-type: none"> Promoting education through various activities including providing support to educational institutions, centers for education, tent school programs etc. Promoting awareness of preventive healthcare. Any other projects, programs and activities falling within the permissible activities 	<ul style="list-style-type: none"> Promoting education through various activities including providing support to educational institutions, centers for education, tent school programs etc. Promoting awareness of preventive healthcare. Any other projects, programs and activities falling within the permissible activities
details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

32 Lease Details:

a lease payments recognised in the statement of profit and loss for the period

The Company has various operating leases for office facilities that are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases included in financial statements for the year ended 31st March 2025 are ₹ 330.41 Lakhs (Previous Year ₹ 234.06 Lakhs)

The Company has taken premises on operating lease which is non cancellable and lease rentals payable during non cancellable period is as under:

Car lease:

(i) Not later than one year	26.35
(ii) Later than one year and not later than five years	32.50
(iii) later than five years	-

Rental premises

(i) Not later than one year	395.93
(ii) Later than one year and not later than five years	1,198.45
(iii) later than five years	-

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

33 ESOP

Particulars	During the year ended 31 st March 2025	During the year ended 31 st March 2024
Outstanding at the beginning of the period	1,38,000	1,68,000
Granted during the period	1,70,000	-
Forfeited during the period	33,000	10,000
Exercised during the period	0	15,245
Expired during the period	0	4,755
Outstanding at the end of the period	275,000	1,38,000
Exercisable at the end of the period	1,27,679	1,35,403
Expense recognised in P&L	122.63	-2.94

Note:

- The company follows discounted cash flow method for accounting of equity-settled ESOP options
- The fair value of the shares as on the grant date has been determined by a valuation certificate issued by registered valuer, based on the unaudited financial statements as at 29th February 2025.
- 1,70,000 new ESOP options were granted to employees as on 1st April 2024 out of which, 50% of the shares have vested on 31st March 2025 and remaining 50% of shares vesting as on 31st March 2026.

Note 34: Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Current Assets	5,455.14	4,127.79	Not Applicable
Current Liabilities	3,021.13	2,173.40	
Ratio	1.81	1.90	
% Change from previous period / year	-4.93%		

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Total Debt	482.79	852.54	1. During the year, we repaid our unsecured loan, which reduced our overall debt and consequently improved our debt-to-equity ratio.
Total Equity	2,971.47	2,222.59	
Ratio	0.16	0.38	2. During the year, the profitability has increased which has resulted in increase of the total equity.
% Change from previous period / year	-57.64%		

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit before tax for the period/year	658.17	161.54	
Add: Non cash operating expenses and finance cost:			
Depreciation and amortisation expense	66.54	16.45	
Bad debts written off/(written back)	18.62	(23.33)	
Provision for Doubtful Debts	-	-	
Provision for Doubtful deposits	-	-	
Finance costs	95.59	70.32	Point 1
Earnings available for debt services	838.91	224.98	
Interest cost on borrowings	95.59	70.32	
Principal repayments (including certain prepayments)	-	-	
Total Interest and principal repayments	95.59	70.32	
Ratio	8.78	3.20	
% Change from previous period / year	174.29%		

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit for the year	626.25	154.62	
Total Equity	2,971.47	2,222.59	Point 1
Ratio	0.21	0.07	
% Change from previous period / year	203%		

(e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory: Not applicable

(f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Credit Sales	27,338.86	18,595.77	
Average Trade Receivables	2,388.77	2,103.08	
Ratio	11.44	8.84	
% Change from previous period / year	29.43%		The improvement in the Trade Receivables Turnover Ratio is attributable to enhanced collection efficiency, resulting in quicker realisation of receivables.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Credit Purchases	881.75	683.52	
Average Trade Payables	88.56	46.28	
Ratio	9.96	14.77	
% Change from previous period / year	-32.59%		The improvement in the Trade Payables Turnover Ratio is primarily due to faster settlement of supplier dues during the year, reflecting improved liquidity management and stronger operational efficiency.

(h) Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Revenue from operations	27,338.86	18,595.77	
Net Working Capital	2,434.01	1,954.39	Not Applicable
Ratio	11.23	9.51	
% Change from previous period / year	18.05%		

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit for the year	626.25	154.62	
Revenue from operations	27,338.86	18,595.77	
Ratio	2.29%	0.83%	Point 1
% Change from previous period / year	175.50%		

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes (EBIT) divided by Capital Employed- pre cash

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit/(Loss) before tax (A)	658.17	161.54	
Finance Costs (B)	95.59	70.32	
Other income (C)	43.52	78.75	
EBIT (D) = (A)+(B)-(C)	710.23	153.11	
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	2,746.02	1,938.95	
Total Assets (E)	6,369.28	4,639.35	
Current Liabilities (F)	3,021.13	2,173.40	
Current Investments (G)	-	-	
Cash and Cash equivalents (H)	0.00	0.00	
Bank balances other than cash and cash equivalents (I)	602.13	527.00	
Ratio (D)/(J)	0.26	0.08	Point 1
% Change from previous period / year	227.54%		

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(k) Return on Investments: Not Applicable

Remarks:

Point 1	The increase in profit during the year has led to an improvement in key financial ratios. The Debt Service Coverage Ratio (DSCR) has strengthened, indicating enhanced capacity to meet debt obligations. Return on Equity (ROE), Net Profit Ratio, and Return on Capital Employed (ROCE) have all shown an upward trend, reflecting improved profitability and efficient utilisation of capital. The major reasons for increase in profit during the year are: 1. reviving of IT industry leading to increase in generation of on-boards of employees. 2. The pipelines of client on-boards of Jan, Feb and March 2024 has resulted us in generation of revenue and GP during the current financial year.
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35 Relationship with Struck Off Companies

The Company has not undertaken any transactions with the Struck off Companies during the year.

36 Title deeds of Immovable Property not held in name of the Company

No title deeds of Immovable property are held other than in company's name.

37 Confirmations of Trade payables and Trade Receivable

Balances of Trade Payable and Trade Receivable are subject to Confirmation.

38 Details of Benami Property held

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

39 Utilisation of Borrowed funds and share premium:

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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.

Standalone Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

40 Wilful Defaulter

The company has not been declared as a Wilful Defaulter by any bank or financial institution or other lender.

41 Cryptocurrency

The Company has not entered in any crypto currency transaction during the financial year 2024-25

42 Round Off

All the figures of current year have been rounded off to the nearest thousands and decimals thereof except for Number of Shares, Earning Per Share & Nominal Value Per Share.

43 Previous Year Figures

Figures of previous year have been regrouped, re-arranged and reclassified wherever necessary to conform to the Current Period's Classification.

As per our report of even date
For and on behalf of the board

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Reg. No. 001997S

Sd/-
Kamal Karanth Airody
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
DIN: 06722095

Sd/-
Janardana Pai R
Partner
Membership No 208528
UDIN: 25208528BMKTGC8862

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Independent Auditor's Report

To the Members of **XPHENO PRIVATE LIMITED**

Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the accompanying Consolidated Financial Statements of M/s. Xpheno Private Limited ("the Holding Company"), which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 as amended ("Accounting standards") and the accounting principles generally accepted in India, of the state of affairs of the Holding Company and its subsidiary as at 31st March 2025, and its Consolidated Profit, and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its subsidiary 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 Consolidated Financial Statements under the provisions of the Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated 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.

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

The Holding 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 Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Holding Company and its subsidiary are in

accordance with the accounting principles generally accepted in India and the accounting standards specified under section 133 of the Act.

The respective Board of Directors of the holding company and its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the holding company and its subsidiary 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Holding Company and its subsidiary are responsible for assessing the ability of each company 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 holding company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the holding company and its subsidiary are responsible for overseeing the financial reporting process of each company.

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

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

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

Identify and assess the risks of material misstatement of the Consolidated 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also 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 Holding 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 Consolidated 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 Holding Company or its subsidiary to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the holding company and its subsidiary to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

Planning the scope of our audit work and in evaluating the results of our work; and

To evaluate the effect of any identified misstatements in the Consolidated 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.

Other Matters

1. We have audited the financial statements of the subsidiary, namely Xpheno INC, whose financial statements (amounts in Lakhs) reflect total assets of ₹ 26.11(PY 0.92) as at 31st March 2025, total revenue of ₹ 25.74(PY NIL), and net cash outflows of ₹ 24.51(PY 154.62) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the holding company's share of net profit of ₹ 626.25/- for the year ended 31st March 2025, as considered in the consolidated financial statements, in respect of Xpheno INC. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, is based on our audit of the standalone financial statements of the subsidiary.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the comparative financial information as confirmed by the Management.

Report on Other Legal and Regulatory Requirements

1. With reference to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us by the Management and our audit of its subsidiary (solely for the purpose of Consolidation of Financial Statements), there are no qualifications or adverse remarks included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.
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 of the aforesaid Consolidated Financial Statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on 31st March 2025, taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2025, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating

effectiveness of such controls, refer to our separate Report in "Annexure-A" to this report; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company and its subsidiary do not have any pending litigations.
 - ii. The Holding Company and its subsidiary do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.
 - iv. (a) The respective Managements of Holding Company and its subsidiary has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of Holding Company and its subsidiary has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or subsidiary from any person or entity, including

foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, 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 and (b) above, contain any material misstatement.
- v. The Holding Company and its subsidiary has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

With respect to the matter to be included in the Auditors' Report under section 197 (16):

According to the provisions of section 197 read with Schedule V of the Companies Act, reporting of Managerial remuneration, the said provisions are not applicable to the company as the company is a private limited company, hence not commented upon.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 001997S

Sd/-
Janardana Pai R
Partner
Membership No: 208528
UDIN: 25208528BMKTGD1800

Date: 17th September 2025
Place: Bangalore

Annexure A

Referred to in the Independent Auditor's Report of even date to the members of Xpheno Private Limited on the Consolidated Financial Statements for the year ended 31st March 2025

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2025, we have audited the Internal Financial Controls Over Financial Reporting of M/s. Xpheno Private Limited (hereinafter referred to as "the Holding Company") as of that date. The audit of the financial statements of the subsidiary, Xpheno INC, incorporated in the USA, was conducted solely for the purpose of consolidation of financial statements. Consequently, the reporting on Internal Financial Controls (IFC) over financial reporting, as required under the Companies Act, 2013, is not applicable to the subsidiary

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI".

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm Registration No: 0019975

Sd/-
Janardana Pai R
Partner
Membership No: 208528
UDIN: 25208528BMKTGD1800

Place: Bangalore
Date: 17th September 2025

Consolidated Balance Sheet

as at 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 st March 2025	For the year ended 31 st March 2024
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	441.52	441.52
(b) Reserves and surplus	4	2,530.43	1,780.39
2 Minority Interest	5	(0.01)	(0.01)
3 Non-Current liabilities			
(a) Long-term borrowings	6	103.61	115.92
(b) Long-term provisions	7	273.06	127.44
4 Current liabilities			
(a) Short Term Borrowings	8	379.18	736.61
(b) Trade Payable - Total Outstanding dues of			
(i) Micro and Small Enterprises	9	68.82	27.03
(ii) Creditors Other than Micro and Small Enterprises		65.65	15.62
(c) Short-term provisions	10	19.75	5.60
(d) Other Current Liabilities	11	2,511.68	1,387.70
TOTAL		6,393.70	4,637.83
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	12	353.66	176.21
(ii) Intangible Assets	12	150.89	167.65
(iii) Work in progress	12	137.82	-
(b) Deferred tax Asset (Net)	13	41.71	36.62
(c) Other Non Current Assets	14	229.23	130.25
2 Current assets			
(a) Trade Receivables	15	2,807.93	1,969.62
(b) Cash and Cash Equivalents	16	628.24	527.08
(c) Short term loans and advances	17	199.96	172.72
(d) Other Current Assets	18	1,844.26	1,457.67
TOTAL		6,393.70	4,637.83
Summary of Significant Accounting policies	1&2		

As per our report of even date

For and on behalf of the board

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Reg. No. 001997S

Sd/-

Kamal Karanth Airody

DIN: 03058243

Sd/-

Ethanur Thuppale Anil Kumar

DIN: 06722095

Sd/-

Janardana Pai R

Partner

Membership No 208528

UDIN: 25208528BMKTGC8862

Place: Bengaluru

Date: 17th September 2025

Place: Bengaluru

Date: 17th September 2025

Place: Bengaluru

Date: 17th September 2025

Consolidated Statement of Profit and Loss

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 st March 2025	For the year ended 31 st March 2024
1 Revenue:			
Revenue from operations	19	27,364.59	18,595.77
Other income	20	43.44	78.75
Total Income		27,408.04	18,674.52
2 Expenses:			
Direct Cost	21	22,822.28	15,399.88
Employee benefits expenses	22	2,383.34	1,968.22
Finance Costs	23	95.59	70.32
Depreciation expenses	12	66.54	16.45
Other expenses	24	1,380.99	1,058.81
Total expenses		26,748.73	18,513.67
3 Profit before tax		659.31	160.85
4 Tax expense:			
(1) Current Tax (including taxation for earlier years)		37.00	3.98
(2) Deferred tax	13	(5.08)	2.94
5 Profit after Tax		627.39	153.93
6 Earnings per equity share of face value of ₹ 10 each:			
- Basic and Diluted (in ₹)		14.21	3.50
Summary of Significant Accounting policies	1 & 2		

As per our report of even date

For and on behalf of the board

For Manohar Chowdhry & Associates

Chartered Accountants

Firm Reg. No. 001997S

Sd/-

Kamal Karanth Airody

DIN: 03058243

Sd/-

Ethanur Thuppale Anil Kumar

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UDIN: 25208528BMKTGC8862

Place: Bengaluru

Date: 17th September 2025

Place: Bengaluru

Date: 17th September 2025

Place: Bengaluru

Date: 17th September 2025

Consolidated Cash Flow Statement

for the 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Ref	For the year ended 31 st March 2025	For the year ended 31 st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		659.31	160.85
Adjustments for:			
Depreciation		66.54	16.45
Interest From FD		(30.37)	(38.18)
Miscellaneous Income		-	-
Bad debts written off/(Written back)		18.62	(23.33)
Provision for Doubtful deposits		-	-
Reserve		0.02	-
ESOP Expenses		122.63	(2.94)
Interest expenses		95.59	70.32
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		932.34	183.17
(Increase) / Decrease in net Receivables		(856.92)	295.65
Increase / (Decrease) in Long term Provisions		145.63	33.36
Increase / (Decrease) in Short term Provisions		14.15	1.89
Increase / (Decrease) in Trade Payables		91.82	(7.25)
(Increase)/ Decrease in other current assets		(306.49)	46.64
(Increase)/Decrease in other non current assets		(98.99)	19.98
(Increase)/Decrease in Short term loans and advances		(27.24)	(16.75)
Increase / (Decrease) in Other Current Liabilities		1,123.98	351.36
		85.93	724.87
Cash From Operation before taxes		1,018.27	908.04
Less: Direct Taxes Paid		117.10	379.84
NET CASH FROM OPERATING ACTIVITIES	(A)	901.17	528.20
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(365.04)	(352.96)
Investment in Fixed deposits (net)		(75.13)	(2.00)
Interest received on fixed deposits		30.37	38.18
NET CASH FROM INVESTING ACTIVITIES	(B)	(409.81)	(316.79)

Consolidated Cash Flow Statement

for the 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Ref	For the year ended 31 st March 2025	For the year ended 31 st March 2024
C. CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings (net of repayments)		(369.74)	(142.54)
Proceeds from issue of equity shares		-	1.52
Interest paid to banks and others		(95.59)	(70.32)
NET CASH FROM FINANCING ACTIVITIES	(C)	(465.33)	(211.33)
Net Increase in Cash and Cash Equivalents	(A)+(B)+(C)	26	0.09
Cash and Cash Equivalents at the beginning of the Year		0.09	-
Cash and Cash Equivalents at the end of the Year		26	0.09
Components of Cash and Cash Equivalents (Refer to Note 16)			
Balance with banks		-	-
Current Accounts		26	-
Fixed deposits with banks (Maturing within 3 Months)		-	-

Note: Cash flows are reported using the indirect method.

As per our report of even date

For and on behalf of the board

Sd/-
Kamal Karanth Airody
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
DIN: 06722095

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Reg. No. 001997S

Sd/-
Janardana Pai R
Partner
Membership No 208528
UDIN: 25208528BMKTGC8862

Place: Bengaluru
Date: 17th September 2025

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

1 Group Overview

Xpheno Private Limited (the 'Company') incorporated on 2nd December 2016, engaged in the business of Staffing, Human Resources Recruitment and Man Power Supply Services.

Xpheno Inc (the 'Company') incorporated on 18th September 2023, engaged in the business of Staffing, Human Resources Recruitment and Man Power Supply Services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Consolidated Financial Statement

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards (AS 21) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on the accruals basis under the historical cost convention. The accounting policies adopted in

the preparation of the financial statements are consistent with those followed in the previous year.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

Enterprises Consolidated as a subsidiary in accordance with AS 21:

Xpheno Private Limited			
CIN: U74999KA2016PTC098222			
Address: Beginst Harbor 6, No.76, 3 rd Cross Road, Residency Road, Ashok Nagar, Richmond Town, Bangalore, Bangalore North, Karnataka, India, 560025			
Name of Enterprise	Country of Incorporation	% of Ownership/ Control	Address
Xpheno Inc	USA	99.8%	Corporation Trust Center 1209 Orange ST Wilmington New Castle 19801

b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of consolidated the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

c) Accounting Convention

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Company's Act, 2013. Based on the nature of operation, the Company has ascertained its operating cycle as 12 months for the purposes of current/non-current classification of assets and liabilities.

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

d) Revenue Recognition

(i) Staffing & Manpower Services

Revenue from manpower services is accounted on accrual basis on performance of the services agreed in the contract with the customers.

(ii) Recruitment

Revenue from permanent recruitment services is recognized on accrual basis on performance of the services agreed in the contract with the customers.

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), while invoicing in excess of revenues are classified as Contract Liability (unearned revenue).

e) Foreign currency translation

(i) 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.

(ii) Conversion

Foreign currency monetary items are reported using the rate as the date of Balance Sheet. 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. 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.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company 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.

f) Employee Benefits

(i) Defined Benefit Plan

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, done on projected unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income and is transferred to retained earnings in the statement of changes in equity in the balance sheet. Such accumulated re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of employees where defined benefits obligation is backed by customer contracts, liability has been created by debiting the gratuity asset account.

(ii) Defined contribution plan

The Company pays provident fund contributions to the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

g) Income Taxes

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year.

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 are recognized only to the extent that there is reasonable certainty that sufficient future taxable

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

income will be available to offset such deferred tax assets. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

h) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a

rights issue to existing shareholders; share split; and consolidation of shares if any.

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

i) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

j) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

k) Lease

Operating lease payments are recognized as an expense in the Profit and Loss account

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

l) Deferred tax assets

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 are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

m) Property, Plant and Equipment

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of fixed assets that are not ready to use.

Any improvements in leasehold premises are capitalised as Leasehold Improvements. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

n) Intangible Assets

(i) Acquired Intangible Assets

Intangible assets including software licenses of enduring nature and acquired contractual rights separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization

and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Internally Generated Intangible Assets

Internally generated intangible assets, excluding capitalised development costs are reflected as expenditure in the statement of profit and loss in the reporting year in which these are incurred. For capitalization of software, company has considered payroll cost and indirect cost being immaterial, has not been considered for capitalization.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Capitalised development cost is carried at cost less accumulated amortization and impairment losses, if any.

Intangibles under development include cost of intangibles that are not ready for put to use.

ii) Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining Useful Life.

The management of the company certifies that none of the assets are impaired.

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

o) Depreciation and Amortization

i. On Tangible Assets

Depreciation is provided using the Straight Line Method ('SLM') as per the useful lives of the assets estimated by the management after considering residual value of fixed asset at ₹ 1.00 which is in line with Companies Act;

However, for the Udupi assets other than Udupi Computer and accessories, the useful life was considered to 5 years based on the tenure of the lease agreement.

Sl. No	Assets	Useful Life	Rate
1	Computer and accessories	3	33.33%
2	Office Equipments	5	20.00%
3	Furniture	10	10.00%
4	Car	8	12.50%
5	Mobile Phone	3	33.33%
6	Udupi Furniture & Fixture, PPE & Office equipment	5	20.00%

*Individual assets whose cost does not exceed ₹ 5,000/- are fully depreciated in the year of acquisition.

i. On Intangible Assets

Amortization is provided using the Straight Line Method ('SLM') as per the useful lives of the assets estimated by the management at the rates prescribed under Schedule II of the Companies Act, 2013.

Sl. No	Assets	Useful Life	Rate
1	Software	10	10.00%

The Software has been developed inhouse and is expected to be used for indefinite period and hence the management has assessed life of the asset to be 10 years.

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

3 Share capital

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	Number	Amount	Number	Amount
Authorised				
50,00,000 Equity shares of ₹ 10/- each	50,00,000	500.00	50,00,000	500.00
Issued, Subscribed & Paid up				
44,15,245 Equity shares of ₹ 10/- each	44,15,245	441.52	44,15,245	441.52
Total	44,15,245	441.52	44,15,245	441.52

3A Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the period	44,15,245	441.52	44,00,000	440.00
Shares Issued during the period			15,245	1.52
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	44,15,245	441.52	44,15,245	441.52

3B Terms /Rights attached to Equity Shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. No dividend has been proposed by the board of directors.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

The Company has neither issued bonus shares nor there has been any buy back of shares since the Incorporation of the Company

3C Details of Shareholders holding more than 5% Shares in the Company

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kamal Karanth Airody	20,66,998	46.82%	20,66,998	46.82%
Ethanur Thuppale Anil Kumar	11,50,000	26.05%	11,50,000	26.05%
Devaki Kedillaya	3,62,400	8.21%	3,62,400	8.21%
Sabyasachi Dash	2,61,250	5.92%	2,61,250	5.92%
TOTAL	38,40,648	86.99%	38,40,648	86.99%

3D There are no calls unpaid by the directors and officers.

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

3E Disclosure of shares held by the promoters

Name of the Promoters	During the FY 2024-25				
	For the year ended 31 st March 2025		For the year ended 31 st March 2024		% Change During The Year
	Numbers	% holding in the class	Numbers	% holding in the class	
Kamal Karanth Airody	20,66,998	46.82%	20,66,998	46.82%	0.00%
Ethanur Thuppale Anil Kumar	11,50,000	26.05%	11,50,000	26.05%	0.00%

Name of the Promoters	During the FY 2023-24				
	For the year ended 31 st March 2024		For the year ended 31 st March 2023		% Change During The Year
	Numbers	% holding in the class	Numbers	% holding in the class	
Kamal Karanth Airody	20,66,998	46.82%	20,66,998	46.98%	-0.16%
Ethanur Thuppale Anil Kumar	11,50,000	26.05%	11,50,000	26.14%	-0.09%

4 Reserves and Surplus

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
(a) Securities premium account		
Opening Balance	583.72	570.00
Add: Premium received during the year	-	13.72
Closing Balance	583.72	583.72
(b) Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	1,058.49	904.55
Add: Profit for the year	627.39	153.94
Closing Balance	1,685.88	1,058.49
(c) Share based payment reserve account		
Foreign currency translation reserve	0.02	(0.00)
Closing Balance	0.02	(0.00)
(d) Share based payment reserve account		
Opening Balance	138.18	154.84
Add: Issue of ESOPs during the year	122.63	(16.66)
Closing Balance	260.81	138.18
Total	2,530.43	1,780.39

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

5 Minority Interest

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Minority Share Capital	-	0.00
Share Application Money Payable	-	(0.00)
Opening Balance	(0.01)	
Profit/(Loss) for the year	0.00	(0.01)
Total	(0.01)	(0.01)

6 Long-term borrowings

Particulars	For the year ended 31 st March 2025		For the year ended 31 st March 2024	
	Non Current Maturities	Current Maturities	Non Current Maturities	Current Maturities
Secured Loan				
HDFC Bank Ltd (Secured against hypothecation of Vehicle - MG Hector)	15.33	5.26	20.18	5.40
Bank of India (Secured against hypothecation of Vehicle- Tata Safari)	16.56	6.92		
Bank of India (Secured against hypothecation of Vehicle - BMW)	71.73	25.61	95.75	27.29
Total	103.61	37.79	115.92	32.69

- a) Loan from HDFC Bank was taken during the year 2023-24. The Loan is repayable in 60 monthly instalments of ₹ 56,966/- each starting from 7th Oct 2023 along with interest @ 8.60%, from the date of loan.

The Loan is secured by hypothecation of vehicle of the company and loan will be maturing in the year 07th Sept 2028. The amount of principal repayable within next operating cycle has been disclosed under short term borrowings which has similar terms.

- b) Loan from Bank of India was taken during the year 2023-24. The Loan is repayable in 60 monthly instalments of ₹ 2,77,188/- each starting from 30th August 2023 along with interest @ 8.85% from the date of loan.

The Loan is secured by hypothecation of vehicle of the company and loan will be maturing in the year 30th July 2028. The amount of principal repayable within next operating cycle has been disclosed under short term borrowings which has similar terms.

- c) Loan from Bank of India was taken during the year 2024-25. The Loan is repayable in 48 monthly instalments of ₹ 72,869/- each starting from 30th May 2024 along with interest @ 8.95% from the date of loan.

The Loan is secured by hypothecation of vehicle of the company and loan will be maturing in the year 30th April 2028. The amount of principal repayable within next operating cycle has been disclosed under short term borrowings which has similar terms.

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

7 Long-term provisions

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Provision for Employee Benefits - Gratuity	273.06	127.44
Total	273.06	127.44

8 Short-term borrowings

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
a) Loans repayable on demand		
i) Loans and advances from related parties	-	-
b) Deposits		
i) Unsecured Loan from shareholder (refer note below)	-	150.00
c) Other loans and advances		
Secured		
i) Cash credits	341.39	553.92
ii) Current Maturities of Long Term of loan term borrowings	37.79	32.69
Total	379.18	736.61

Note:

- a) During the year ended 31st March 2025, the Company obtained cash credit facilities from ICICI bank to the extent of upto ₹ 1500.00 lakhs at an interest rate of 9.25% secured against trade receivables of the Company and lien on the fixed deposits of ₹ 600.00 lakhs with them and personal guarantee of the directors. There was an overdraft balance as of 31st March 2025 amounting to ₹ 343.60 lakhs.
- b) During the year ended 31st March 2023, the Company obtained cash credit facilities from State Bank of India to the extent of upto ₹ 1000.00 lakhs secured at an interest of 9.30% against trade receivables of the Company. During Dec 2024 the cash credit facility from SBI was increased to ₹ 1500 Lakhs. There was an positive balance as of 31st March 2025 amounting to ₹ 2.22 lakhs (31st March 2024: overdraft ₹ 539.19)
- c) During the year ended 31st March 2022, the Company had obtained an unsecured loan of ₹ 150 lakhs from a shareholder @ 6% p.a. payable annually at the end of each financial year. The Same has been repaid as on 29 Jan 2025 along with interest of 6% from April 2024 to Jan 2025.
- d) During the year ended 31st March 2025, the Company has repaid the cash credit facilities availed from Bank of India to the extent of upto ₹ 1500.00 lakhs which was secured against trade receivables of the Company and lien on the fixed deposits with them. The closure of the facility was done on 11 Feb, 2025.

9 Trade payables

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Trade payables		
Dues of Micro and Small Enterprises	68.82	27.03
Dues of creditors other than Micro Small Medium Enterprises	65.65	15.62
Total	134.47	42.65

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Note:

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

Aging schedule of Trade Payables

As at 31st March 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) MSME	53.36	15.46	-	-	-	68.82
(ii) Others	52.10	13.54	-	-	-	65.65
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	105.46	29.00	-	-	-	134.47

As at 31st March 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) MSME	13.43	13.60	-	-	-	27.03
(ii) Others	3.74	11.14	0.19	0.16	0.39	15.62
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	17.16	24.75	0.19	0.16	0.39	42.65

10 Short-term provisions

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Provision for Gratuity	19.75	5.60
Total	19.75	5.60

11 Other Current Liabilities

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Employees Benefits Payable	1,665.21	819.08
Provision for Expenses	51.56	27.82
Statutory Payable	774.12	533.05
Advance from customer	11.74	7.76
Rent equalisation reserve	9.05	-
Total	2,511.68	1,387.70

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

12 Property, Plant and Equipment, Intangible assets and Depreciation:

SI No	Assets	Gross Block			Accumulated Depreciation			Net Block		
		As at 1 st April 2024	Additions Upto 31 st March 2025	Deletions Upto 31 st March 2025	As at 31 st March 2025	As at 1 st April 2024	Depreciation for the current year	Deletions Upto 31 st March 2025	As at 31 st March 2025	As at 31 st March 2024
1	Property, Plant and Equipment									
	Computer and accessories	15.52	4.02		19.53	4.35	-	13.63	5.90	6.23
	Office Equipments	3.15	4.66		7.81	0.91	-	1.33	6.47	2.73
	Furniture	0.48			0.48	0.05	-	0.06	0.42	0.47
	Car	178.35	33.23		211.58	26.19	-	38.53	173.05	166.01
	Mobile Phone	1.45	0.10		1.54	0.03	-	0.70	0.84	0.78
	Udupi									
	PPE	-	68.46		68.46	6.71	-	6.71	61.75	-
	Furniture & Fixure	-	72.46		72.46	7.09	-	7.09	65.36	-
	Office Equipment	-	38.34		38.34	3.30	-	3.30	35.04	-
	Computers and Peripherals	-	5.98		5.98	1.15	-	1.15	4.83	-
2	Intangible Asset									
	Impiger	167.65			167.65	16.76	-	16.76	150.89	167.65
	Total	366.60	227.23		593.82	66.54		89.27	504.55	343.86
	Previous year	17.83	353.18		366.60	16.45	4.20	22.73	343.86	7.34
3	Work in Progress									
	Software - Impiger		136.27		136.27	-	-	-	136.27	-
	Studio		1.54		1.54	-	-	-	1.54	-
	Total	-	137.82		137.82	-	-	-	137.82	-

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

13 Deferred Tax Assets(Net)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Provision for Bad & Doubtful Debts	3.78	6.92
Depreciation on Property, Plant & Equipment	(8.67)	(3.78)
Provision for gratuity	46.60	33.48
Any other item of temporary differences	-	-
Total	41.71	36.62

14 Other Non Current Assets

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Security Deposit	121.59	130.25
Gratuity-Asset	107.64	-
Total	229.23	130.25

Note: The Gratuity Provision for certain employees where obligation is backed by customer contracts, assets to corresponding liability has been created. However, as no valuation report was obtained for these employees during the previous year, the asset has been reported as nil.

15 Trade Receivables

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Unsecured Considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment		-
Others	2,807.93	1,969.62
	2,807.93	1,969.62
Unsecured Considered Doubtful		
Others	15.00	27.50
Less:- Provision for Doubtful Debts	(15.00)	(27.50)
	-	-
Total	2,807.93	1,969.62

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Aging schedule of Trade Receivables

As at 31st March 2025

Particulars	Outstanding for following periods from due date of Payment						Total
	Current / Not Due	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,287.15	532.64	3.15	-	-	-	2,822.93
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	2,287.15	532.64	3.15	-	-	-	2,822.93
Less: Allowance for doubtful trade receivables							(15.00)
							2,807.93
Trade Receivables - Unbilled							1,064.98
							3,872.91

As at 31st March 2024

Particulars	Outstanding for following periods from due date of Payment						Total
	Current / Not Due	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,765.96	203.66	-	-	-	-	1,969.62
(ii) Undisputed Trade Receivables - considered doubtful	-	-	23.46	4.04	-	-	27.50
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
	1,765.96	203.66	23.46	4.04	-	-	1,997.12
Less: Allowance for doubtful trade receivables							(27.50)
							1,969.62
Trade Receivables - Unbilled							741.50
							2,711.12

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

16 Cash and Cash Equivalents

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Balances with Bank	26.11	0.08
Fixed deposits with banks	602.13	527.00
Total	628.24	527.08

Note: Fixed Deposits of 600 is marked as lien against credit limits obtained from the ICICI Bank at ROI of 7.3% p.a. Fixed Deposit of 2.13 is Bank guarantee given against performance of contract from the BOI bank at ROI 6.8% p.a.

17 Short term loans and advances

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Prepaid Expenses	199.96	171.26
Advances receivable in cash or kind	-	1.46
Total	199.96	172.72

18 Other Current Assets

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Unsecured, considered good		
Advance to Staff	23.65	5.83
Unbilled revenue	1,064.98	741.50
Interest Accrued on Fixed Deposit but not due	5.89	40.70
Balances with Income Tax Authorities	749.75	669.65
Total	1,844.26	1,457.67

19 Revenue from Operations

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Income from Staffing and Recruitment Services	27,364.59	18,595.77
Total	27,364.59	18,595.77

20 Other Income

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest from FD	30.37	38.18
Interest on Income tax Refund	13.03	17.02
Exchange Gain	0.05	0.22
Bad debts written Back	-	23.33
Total	43.44	78.75

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

21 Direct Cost

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salaries & Wages	22,822.28	15,399.88
Total	22,822.28	15,399.88

22 Employee Benefits Expenses

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salaries & Wages	1,882.53	1,689.48
Director Remuneration	197.01	174.32
ESOP Expenses	122.63	(2.94)
Gratuity	59.91	35.24
Contribution to Provident and Other Funds	59.25	60.59
Staff welfare	62.01	11.52
Total	2,383.34	1,968.22

23 Finance Costs

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Interest on bank Overdraft	74.34	46.31
Interest-Others	21.26	24.01
Total	95.59	70.32

24 Other Expenses

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Professional Fees	462.32	349.14
Rent	330.41	234.06
Equipment Hire charges	175.26	159.07
Marketing Expenses	142.84	100.16
Travelling Expenses	140.81	81.08
Car lease expense	26.35	25.46
Bad debts written off	18.62	-
Database Access Charges	17.21	21.35
Insurance expenses	15.54	14.21
Communication Expenses	14.46	31.33
Bank Charges	10.07	10.85
Miscellaneous Expenses	8.35	10.45
Printing & Stationery	5.67	4.73
CSR Expenditure	4.99	8.56
Auditor's Remuneration (Refer 24.1)	4.00	4.00
Rates and Taxes	4.10	4.37
Total	1,380.99	1,058.81

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

24.1 Auditors Remuneration

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Statutory Audit Fees	3.63	3.63
Tax Audit Fees	0.38	0.38
	4.00	4.00

25 Contingent Liabilities & Commitments

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
i) Estimated amount of contracts remaining to be executed on Capital Account	NIL	NIL
ii) Contingent Liabilities	2	2

The contingent liability of ₹2 lakh primarily pertains to a performance guarantee issued to a client.

26 Employee benefit obligations

- a) The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee Benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Table 1: Reconciliation of defined benefit obligation

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Liability at the beginning of the year	133.04	97.79
Current service cost	132.16	55.71
Interest cost	9.29	7.33
Benefits paid	(7.77)	-
Past service cost	44.76	-
Actuarial loss/(gain)	(18.65)	(27.80)
Liability at the end of the year	292.81	133.04

Table 2: Expenses recognised in the statement of profit and loss (net)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Current service cost	132.16	55.71
Interest cost	9.29	7.33
Past service cost	44.76	-
Actuarial loss/(gain)	(18.65)	(27.80)
Gratuity Asset	(107.64)	-
Expense/(gain) recognised in the statement of profit and loss (refer note 22)	59.91	35.24

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Table 3: Recognised in the balance sheet

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Present value of defined obligation	292.81	133.04
Fair value of plan assets	-	-
Net liability	292.81	133.04
Less: unrecognised past service cost	-	-
Net liability recognised in the balance sheet	292.81	133.04
Non current liability (refer note 5)	273.06	127.44
Current liability	19.75	5.60

Table 4: Actuarial assumptions

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salary growth rate	7.50% p.a.	7.50% p.a.
Discount rate	6.73% p.a.	7.19% p.a.
Withdrawal/attrition rate	30% p.a.	30% p.a.
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Actuarial assumptions for Non core employees backed by customer contracts

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Salary growth rate	5.00% p.a.	NA
Discount rate	6.62% p.a.	NA
Withdrawal/attrition rate	50% p.a.	NA
Mortality rate	IALM 2012-14 (Ult.)	NA

Table 5: Experience adjustments

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Defined benefit obligation	292.81	133.04
Fair value of plan assets	-	-
Surplus/(deficit)	(292.81)	(133.04)
Experience adjustment on plan liabilities: (gain)/loss	(24.52)	(30.75)
Experience adjustment on plan assets: (gain)/loss	NA	NA

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

27 Segment Reporting

The Company has only one reportable segment i.e. Recruitment and Staffing Services per Accounting Standard 17 on Segment reporting as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

Secondary segment reporting: The Company does not have geographical distribution of revenue hence the secondary segmental reporting based on geographical location of its customers is not applicable to the Company.

28 Earning per Share (EPS)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Net Profit after taxation	627.39	153.93
Weighted average number of shares outstanding during the period	44,15,245	44,00,083
Basic earnings and Diluted earning per share (Face value of ₹ 10 per share)	14.21	3.50

29 Related Party Disclosures

a Names of related parties and related party relationship:-

Parties exercising significant influence

KAMAL KARANTH AIRODY	Director
ETHANUR THUPPALE ANIL KUMAR	Director
KRIPA MADY	Share Holder

b Transaction During the year

Sl. No	Name of Related Party	Nature of transaction	Transaction during the year
1	KAMAL KARANTH AIRODY	Salary paid	111.26
2	ETHANUR THUPPALE ANIL KUMAR	Salary paid	85.75
3	KRIPA MADY	Interest paid	7.20
4	KRIPA MADY	Loan repaid	150.00

Note:

- The above transactions do not include reimbursement of expenses and contribution to provident funds which is accounted in the respective heads of accounts.
- The above information has been determined to the extent of such parties being identified on the basis of information provided by the Company which has been relied upon by the auditors.

c Closing balances

Sl. No	Name of Related Party	As on 31 st March 2025	As on 31 st March 2024
1	KAMAL KARANTH AIRODY	-	-
2	ETHANUR THUPPALE ANIL KUMAR	-	-
3	KRIPA MADY	-	150.00

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

30 Income and Expenditure in Foreign Currency

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
i) Expenditure in foreign currency	48.75	56.80
ii) Earnings in foreign currency	31.16	-

31 Corporate Social Responsibility (CSR): The Company is covered under Section 135 of the Companies Act. Below are the details as required to be presented under the Schedule III

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Amount required to be spent by the company during the year	0	8.56461
Amount of expenditure incurred	4.99	8.56461
(shortfall)/excess at the end of the year	4.99	0
Total of previous years shortfall	Not Applicable	Not Applicable
Reason for shortfall	Not Applicable	Not Applicable
Nature of CSR activities	<ul style="list-style-type: none"> Promoting education through various activities including providing support to educational institutions, centers for education, tent school programs etc. Promoting awareness of preventive healthcare. Any other projects, programs and activities falling within the permissible activities 	<ul style="list-style-type: none"> Promoting education through various activities including providing support to educational institutions, centers for education, tent school programs etc. Promoting awareness of preventive healthcare. Any other projects, programs and activities falling within the permissible activities
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

32 Lease Details:

a lease payments recognised in the statement of profit and loss for the period

The Company has various operating leases for office facilities that are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases included in financial statements for the year ended 31st March 2025 are ₹ 330.41 Lakhs (Previous Year ₹ 234.06 Lakhs)

b The Company has taken premises on operating lease which is non cancellable and lease rentals payable during non cancellable period is as under:

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

Car lease:

(i) Not later than one year	26.35
(ii) Later than one year and not later than five years	32.50
(iii) later than five years	-

Rental premises

(i) Not later than one year	395.93
(ii) Later than one year and not later than five years	1,198.45
(iii) later than five years	-

33 ESOP

Particulars	During the year ended 31 st March 2025	During the year ended 31 st March 2024
Outstanding at the beginning of the period	1,38,000	1,68,000
Granted during the period	1,70,000	-
Forfeited during the period	33,000	10,000
Exercised during the period	0	15,245
Expired during the period	0	4,755
Outstanding at the end of the period	275,000	1,38,000
Exercisable at the end of the period	127,679	1,35,403
Expense recognised in P&L	122.63	-2.94

Note:

- The company follows discounted cash flow method for accounting of equity-settled ESOP options
- The fair value of the shares as on the grant date has been determined by a valuation certificate issued by registered valuer, based on the unaudited financial statements as at 29th February 2025.
- 1,70,000 new ESOP options were granted to employees as on 1st April 2024 out of which, 50% of the shares have vested on 31st March 2025 and remaining 50% of shares vesting as on 31st March 2026.

Note 34: Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Current Assets	5,480.39	4,127.10	Not Applicable
Current Liabilities	3,045.08	2,172.57	
Ratio	1.80	1.90	
% Change from previous period / year	-5.26%		

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Total Debt	482.79	852.54	1. During the year, we repaid our unsecured loan, which reduced our overall debt and consequently improved our debt-to-equity ratio. 2. During the year, the profitability has increased which has resulted in increase of the total equity."
Total Equity	2,971.96	2,221.92	
Ratio	0.16	0.38	
% Change from previous period / year	-57.66%		

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit before tax for the period/year	659.31	160.85	Point 1
Add: Non cash operating expenses and finance cost:			
Depreciation and amortisation expense	66.54	16.45	
Bad debts written off/(written back)	18.62	(23.33)	
Provision for Doubtful Debts	-	-	
Provision for Doubtful deposits	-	-	
Finance costs	95.59	70.32	
Earnings available for debt services	840.05	224.29	
Interest cost on borrowings	95.59	70.32	
Principal repayments (including certain prepayments)	-	-	
Total Interest and principal repayments	95.59	70.32	
Ratio	8.79	3.19	
% Change from previous period / year	175.51%		

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit for the year	627.39	153.93	Point 1
Total Equity	2,971.96	2,221.92	
Ratio	0.21	0.07	
% Change from previous period / year	205%		

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory: Not applicable

(f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Credit Sales	27,364.59	18,595.77	The improvement in the Trade Receivables Turnover Ratio is attributable to enhanced collection efficiency, resulting in quicker realisation of receivables.
Average Trade Receivables	2,388.77	2,103.08	
Ratio	11.46	8.84	
% Change from previous period / year	29.56%		

(g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Credit Purchases	882.25	684.21	The improvement in the Trade Payables Turnover Ratio is primarily due to faster settlement of supplier dues during the year, reflecting improved liquidity management and stronger operational efficiency.
Average Trade Payables	88.56	46.28	
Ratio	9.96	14.79	
% Change from previous period / year	-32.62%		

(h) Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Revenue from operations	27,364.59	18,595.77	Not Applicable
Net Working Capital	2,435.31	1,954.53	
Ratio	11.24	9.51	
% Change from previous period / year	18.10%		

(i) Net profit ratio = Net profit after tax divided by Revenue from operations.

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit for the year	627.39	153.93	Point 1
Revenue from operations	27,364.59	18,595.77	
Ratio	2.29%	0.83%	
% Change from previous period / year	176.98%		

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes (EBIT) divided by Capital Employed- pre cash

Particulars	For the year ended 31 st March 2025	As at 31 st March 2024	Remarks
Profit/(Loss) before tax* (A)	659.31	160.85	
Finance Costs* (B)	95.59	70.32	
Other income* (C)	43.44	78.75	
EBIT (D) = (A)+(B)-(C)	711.45	152.42	
Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I)	2,720.38	1,938.18	
Total Assets (E)	6,393.70	4,637.83	Point 1
Current Liabilities (F)	3,045.08	2,172.57	
Current Investments (G)	-	-	
Cash and Cash equivalents (H)	26.11	0.09	
Bank balances other than cash and cash equivalents (I)	602.13	527.00	
Ratio (D)/(J)	0.26	0.08	
% Change from previous period / year	232.57%		

(k) Return on Investments: Not Applicable

Remarks:

Point 1	The increase in profit during the year has led to an improvement in key financial ratios. The Debt Service Coverage Ratio (DSCR) has strengthened, indicating enhanced capacity to meet debt obligations. Return on Equity (ROE), Net Profit Ratio, and Return on Capital Employed (ROCE) have all shown an upward trend, reflecting improved profitability and efficient utilisation of capital. The major reasons for increase in profit during the year are: 1. reviving of IT industry leading to increase in generation of on-boards of employees. 2. The pipelines of client on-boards of Jan, Feb and March 2024 has resulted us in generation of revenue and GP during the current financial year.
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35 Relationship with Struck Off Companies

The Company has not undertaken any transactions with the Struck off Companies during the year.

36 Title deeds of Immovable Property not held in name of the Company

No title deeds of Immovable property are held other than in company's name.

37 Confirmations of Trade payables and Trade Receivable

Balances of Trade Payable and Trade Receivable are subject to Confirmation.

38 Details of Benami Property held

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

Consolidated Notes forming part of the financial statements

for the year ended 31st March 2025

(All amounts in ₹ lakhs, unless otherwise stated)

39 Utilisation of Borrowed funds and share premium:

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

- (i) 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
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40 Wilful Defaulter

The company has not been declared as a Wilful Defaulter by any bank or financial institution or other lender.

41 Cryptocurrency

The Company has not entered in any crypto currency transaction during the financial year 2022-23

42 Round Off

All the figures of current year have been rounded off to the nearest thousands and decimals thereof except for Number of Shares, Earning Per Share & Nominal Value Per Share.

43 Previous Year Figures

Figures of previous year have been regrouped, re-arranged and reclassified wherever necessary to conform to the Current Period's Classification.

As per our report of even date
For and on behalf of the board

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Reg. No. 0019975

Sd/-
Kamal Karanth Airody
DIN: 03058243

Sd/-
Ethanur Thuppale Anil Kumar
DIN: 06722095

Sd/-
Janardana Pai R
Partner
Membership No 208528
UDIN: 25208528BMKTGC8862

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Place: Bengaluru
Date: 17th September 2025

Xpheno

INDIA

Bengaluru

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Pune

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Knowledge Park, Mahakali Caves Rd, Chakala,
Hanuman Nagar, Andheri East, Mumbai,
Maharashtra 400093

New Delhi

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Park, Mohan cooperative, New Delhi-110076

Hyderabad

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Telangana 500032

Udupi Center of Excellence

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Udupi, Karnataka 576101.

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