FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

(CIN: U74999KA2016NPL092977)

10th ANNUAL REPORT

FOR THE FINANCIAL YEAR 2025-26

Registered Office

Next to International Airport, Gokul Road, Opposite to Gokul Village, Hubballi- 580030

Dist: Dharwad State: Karnataka

Website: https://deshpandestartups.org

CIN : U74999KA2016NPL092977

Deshpande Startups

Foundation for Sandboxstartup Initiatives
Next to International Airport, Gokul Road
Opp. to Gokul Village, Hubli - 580030
Karnataka, India

NOTICE OF THE TENTH ANNUAL GENERAL MEETING OF FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Notice is hereby given that the Tenth Annual General Meeting of the Members of the Foundation for Sandboxstartup Initiatives (CIN: U74999KA2016NPL092977) will be held through a virtual meeting platform on **Friday, 21st August, 2026 at 10:00 A.M. (IST)** to transact the following business:

A. ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED BALANCE SHEET AS AT 31 ST MARCH, 2026 AND THE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDIED 31 ST MARCH, 2026 TOGETHER WITH THE REPORT OF THE AUDITORS' AND THE DIRECTORS' THEREON AND PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION:**

   "RESOLVED THAT the Audited Balance Sheet as on 31-03-2026 and the Statement of Income and expenditure for the financial year ended 31-03-2026 and the Cash Flow Statement for the financial year ended March 31, 2026 along with the Auditor's Report and the Directors' Report as circulated to the shareholders and laid before the meeting, be and are hereby adopted.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, things, matters and filing necessary e-forms for giving effect to this resolution".

2. **TO TAKE NOTE OF THE CONTINUED APPOINTMENT OF THE STATUTORY AUDITORS OF THE COMPANY:**

   M/s. Suresh & Co., Chartered Accountants (Firm Registration No. 004255S) were appointed as the Statutory Auditors by the Members at the Annual General Meeting held September 27, 2025 for a term of five consecutive years, to hold office from the conclusion of the said Annual General Meeting until the conclusion of the Fourteenth Annual General Meeting of the Company, in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and their appointment continues for the entire term.

By Order of the Board of Directors

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Manish Jaiswal

Manish Kumar Jaiswal
CEO and Whole Time Director
DIN: 10752173

Hubballi
July 24, 2026

CIN : U74999KA2016NPL092977

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NOTES:

1. The AGM is being convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in accordance with the applicable provisions of the Companies Act, 2013 and the circulars issued by the Ministry of Corporate Affairs from time to time permitting such meetings.
2. The deemed venue of the Meeting shall be the Registered Office of the Company.
3. Since the Meeting is being conducted through VC/OAVM, the facility for appointment of proxies is not available pursuant to the MCA Circulars. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the Meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013.
5. Electronic copies of the Notice of AGM together with the Annual Report for FY 2025–26 have been circulated to all Members whose email addresses are registered with the Company.
6. Members are requested to notify any change in their email address or contact details to the Company at its Registered Office.
7. Since the AGM is being held through VC/OAVM, the Route Map to the venue of the Meeting is not required and has therefore not been annexed.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

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BOARD'S REPORT

Your Directors are pleased to present the Tenth Annual Report together with the audited financial statements of the Company for the financial year ended 31 March 2026.

1. Financial Summary / Highlights

The financial performance of the Company for the year ended March 31, 2026, as compared with the previous year, is summarized below:

INR In Lacs.

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Total Revenue	332.35	476.12
Total Expenditure	471.36	705.28
Surplus / (Deficit) Before Tax	(139.01)	(229.15)
Surplus / (Deficit) after Tax	(139.01)	(229.15)

2. State of the Company's Affairs

During the year, the Company deepened its founder-first approach, selecting and supporting entrepreneurs rather than startups alone, and deployed its grants and loans with a sharper focus on founder quality. Community emerged as a key strength, with a daily campus footprint of over 500 people, more than 18 founder community events and engagements, and over 225 one-on-one founder sessions during the year. Alumni entrepreneurs, founders the Company backed in earlier years, were engaged as mentors to the next cohort of startups. The Company attracted corporates and late-stage startups including Hitachi, Zebu VFX, BBetter, and Asmaitha to its ecosystem and achieved near-full occupancy of its rentable office facility. KREST was successfully launched in Nizamabad by Mr. Kanwal Rekhi, expanding the Company from one centre to two, spanning two states on one model.

The Company recorded total revenue of ₹332.35 Lakhs as against ₹476.12 Lakhs in the previous year, and total expenditure of ₹471.36 Lakhs as against ₹705.28 Lakhs, resulting in a deficit of ₹139.01 Lakhs as against ₹229.15 Lakhs. The reduction in deficit of nearly 40 percent reflects prudent expenditure management, and the Company maintains a healthy funds position comprising a corpus fund and earmarked revenue funds covering the coming year's requirements. The Board views this position as transitional and has initiated steps to broaden the revenue base through India-based funding.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

The Company's strategic focus was on building scalable, validated programs across three verticals: students, founders building for non-metro markets, and founders from North Karnataka and North Telangana. Key initiatives included deepening the YUVA Validate program ahead of scale-up, strengthening the incubation program stack at Hubballi, and commencing operations at KREST in Nizamabad. The Board is of the opinion that there are no risks which threaten the existence of the Company. Risks, as and when they arise, will be addressed by the Management in consultation with the Board as appropriate.

In the coming year, the Company will focus on piloting and validating scalable programs across its three verticals, accelerating programs at KREST, building a competent and motivated team, and strengthening data-driven decision-making. It will also work towards greater financial sustainability through India-based revenue and improved utilization of its lab, campus, and co-working facilities. The Board is confident these priorities will deepen the Company's impact on the entrepreneurial ecosystem of non-metro India.

3. Change in the nature of Business of the Company, if any

There was no change in nature of business of the Company during the year under review.

4. Transfers to any Reserves

The Company has not transferred any amount to any reserves during the year under review.

5. Changes in Share Capital, if any:

During the year under review, the Authorised Capital of the Company is INR 1,00,000/- and Paid up Capital of the Company is INR 1,00,000/-. There is no change in the capital structure of the Company.

The Company, during the year under review, was not required make disclosure regarding:

(a) Issue of Equity Shares with Differential Rights
(b) Issue of sweat equity shares
(c) Issue of employee stock options
(d) Issue of Bonus Shares
(e) Buy Back of Shares

The Company is in the process of converting its equity shares to be held in a dematerialised form through National Securities Depository Limited. A Registrar and Transfer Agent as required under Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 has been appointed for this purpose. The process is likely to be completed shortly.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

6. Number of Board Meetings held

The Board of Directors met 4 times during the financial year.

Sl. No.	Date of Board Meeting
1	01/05/2025
2	03/09/2025
3	06/01/2026
4	25/03/2026

7. Directors

As on the date of this Report, the Board comprises directors possessing diverse experience in entrepreneurship, governance, finance and institution building.

During the year:

- Mr. Manish Kumar Jaiswal continued as the Chief Executive Officer and was designated as the Whole-time Director with effect from 27 September 2025.
- There were no other changes in the composition of the Board except those disclosed in this Report.

8. Director's Responsibility Statement

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. 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 and of the surplus or deficit for such year;

c. 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;

d. The directors had prepared the annual accounts on a going concern basis;

e. 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.

9 Declaration of Independent Directors:

The provisions of Section 149 for appointment of Independent Directors do not apply to the company.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

A. Receipt of any commission by MD / WTD from a company or for receipt of commission / remuneration from its holding or subsidiary:

The Disclosure under this head is not applicable to the Company.

B. Managerial Remuneration:

The Disclosure under this head is not applicable to the Company.

10. Particulars of Loans, Guarantees or Investments

There were no Loans, Guarantees or Investments by the Company during the year under review which require compliance under the provision of Section 186 of the Companies Act, 2013.

11. Related Party Transactions

There were no contracts or Arrangements with Related parties referred to in Section 188(1) during the period under review, except as stated below:

Name of Related Party	Relationship	Nature of Transaction	Contract / Arrangement	Duration	Value (₹)	Remarks
Geereddy Yeshwanth Reddy	Brother of a director	Temporary use of immovable Property	Leave or License agreement	11 months - August 01, 2025 to June 30, 2026	29,500 per month	At arm's length

12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Conservation of energy, technology absorption:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

Foreign exchange earnings and outgo:

Particulars	Amount (In INR)	Amount(In INR)
	2025-26	2024-25
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

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13. Material changes and commitments if any affecting the financial position of the company that occurred between the end of the financial year to which this financial statements relate and the date of the report:

During the year under review, there were no material changes and commitments affecting the financial position of the company that occurred between the end of the financial year to which these financial statements relate and the date of the report.

14. Risk Management Policy

The Board periodically reviews strategic, operational, financial, legal and compliance risks and monitors mitigation measures. No material risk has been identified that threatens the Company's ability to continue as a going concern,

15. Corporate Social Responsibility policy

The Provisions of the Companies Act, 2013 relating to CSR were not applicable to the Company during the year under review.

16. Details of Directors and Key Managerial Personnel

A. The detailed Board composition and the changes during the year are as follows:

Name of the Director	DIN	Designation	Appointment / Reappointment / Change in designation	Cessation (Resignation / Vacation of office / Withdrawal of nomination)
Mr. Ramanathan Narayanan	01745689	Director	06.05.2016	-
Mr.Geereddy Reddy	00458456	Director	23.08.2021	-
Mr. Karthik Sankaran	07944967	Whole-time Director and Chief Executive Officer	15.06.2023	31.08.2024 (Resigned as CEO and Director. Board taken note on 31.08.2024)
Mr. Rachit Nayan Parekh	06588038	Director	25.09.2023	
Mr. Manish Kumar Jaiswal*	10752173	Additional Director and Chief Executive Officer	01.09.2024	
Mr. Manish Kumar Jaiswal*	10752173	Whole Time Director & Chief Executive Officer (Change in Designation)	27.09.2025	

17. Disclosure of Employees' Remuneration

There were no employees drawing a remuneration exceeding Rs.8,50,000 p.m. or Rs.1,02,00,000 p.a. during the year in terms of Rules 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. Disclosure of composition of Audit Committee:

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company.

19. Nomination and Remuneration Committee and Stakeholders Relationship Committee:

The provisions of Section 178 of the Companies Act, 2013 are not applicable to the Company.

20. Vigil Mechanism

The provisions of vigil mechanism were not applicable to the Company during the year under review.

21. 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: The disclosures under this head are not applicable to the Company.

22. . Disclosure about Cost Audit

The provisions of Section 148 of the Companies Act, 2013 were not applicable to the Company during the year under review.

23. Statutory Auditors

The Statutory Auditors of the Company were appointed by the Members at the Annual General Meeting held on **27 September 2025** for a term of **five consecutive years**, to hold office from the conclusion of the said Annual General Meeting until the conclusion of the **Fourteenth Annual General Meeting** of the Company, in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.The Auditors have confirmed that they continue to satisfy the eligibility criteria prescribed under the Companies Act, 2013 and that they are not disqualified from continuing as Statutory Auditors of the Company.

24. Qualification/ reservation / adverse remark / disclaimer made by the Statutory Auditor/ Secretarial Auditor in their Audit Report

There were no qualification / reservation / adverse remark / disclaimer made by the Statutory Auditor during the year under review.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

25. Secretarial Audit

The provisions of Section 204 of the Companies Act, 2013 are not applicable to the Company.

26. . Details of adequacy of Internal Financial Controls with reference to the Financial Statements

The Company is maintaining proper records and there is an adequate internal control system commensurate with the size of the Company and the nature of business, which includes segregation of duties, approval matrices, safeguarding of assets, periodic reviews and fraud prevention controls.

27. Details of Frauds reported by the Auditor to the Audit Committee or Board

There were no frauds reported by the Auditors to the Board during the year under review.

28. Voluntary Revision of financial statements or Board's report

There are no voluntary revisions in respect of financial statements or Board's report of any of the three preceding financial years.

29. Information about the Financial Performance and Financial Position of Subsidiaries / Associates / Joint Venture companies

The Company did not have any Subsidiaries, Associates or Joint Venture during the year under review.

30. Name of the Companies which have become / ceased to be its Associate /Joint Venture / Subsidiary

No company has become or ceased to be the Associate, Joint Venture or Subsidiary of the Company during the year under review.

31. Annual return

With the Amendment to Rules Companies (Management and Administration) Rules, 2014, Rule 12(1) of the Companies (Management and Administration) Rules, 2014 has been removed and hence there is no requirement of preparing an Annual return extract in MGT-9.

Further, the Annual Return of the Company shall be made available at the official website of the Company at https://www.deshpandestartups.org/corporate.

32. Details relating to Deposits

The Company has not accepted any deposits during the year under review.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

33. Significant and material orders passed by the regulators or courts or tribunals if any impacting the going concern status and company's operations in future

There were no orders passed by the regulators or courts or tribunals during the year under review impacting the going concern status and company's operations in future.

34. Compliance On Maternity Benefit Act, 1961:

Company has complied with the provisions of Maternity Benefit Act, 1961

35. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

There were no complaints reported under The Sexual Harassment of Women at Workplace (Prevention, Provision and Redressal) Act, 2013 during the year under review. Consequently, the need to report on the number of complaints received, disposed and the number of complaints pending for more than 90 days does not arise.

36. Corporate Governance:

Disclosure under this head is not applicable to the Company.

37. Disclosure in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates:

Disclosure under this head is not applicable to the Company.

38. Acknowledgements

The Board wishes to place on record its sincere appreciation of dedicated services rendered by the employees of the company. The Directors would also like to thank the beneficiaries, vendors, Government authorities and bankers for their support during the year.

For and On behalf of the Board of Directors of
Foundation for Sandboxstartup Initiatives

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Ramanathan Narayanan	**Manish Kumar Jaiswal**
Director	CEO and Whole-Time Director
DIN: **01745689**	DIN: **10752173**
Bengaluru	Hubballi
July 24, 2026	July 24, 2026

SURESH & CO.
Chartered Accountants

'SRINIDHI', #43/61, 1st Floor,
Surveyors Street, Basavanagudi,
Bengaluru - 560 004

Tele: 080-26623610/11
email: info@sureshandco.com
website: www.sureshandco.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Foundation for Sandboxstartup Initiatives

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. **Foundation for Sandboxstartup Initiatives (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2026, the Statement of Income and Expenditure, the Cash Flow Statement for the year then ended and notes to the financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as ***"the financial statements"***)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013 ("the Act")** in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its deficit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial statement 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 statement under the provisions of the Act and the Rules issued 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.

Information other than the financial statement and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statement and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The Director's Report has been made available to us as on the date of this Report. We have nothing to report in this regard.

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Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with read with applicable Rules.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement 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, makes 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 in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. The provisions of The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of subsection (11) of section 143 of the Companies Act, 2013, is not applicable since the Company is registered under section 8 of the Act.

2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Income and Expenditure and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statement complies with the Accounting Standards specified under Section 133 of the Act;

   e. On the basis of the written representations received from the directors as on 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

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f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 we state that the Company, being a Private Limited Company

   i. not having a turnover exceeding Rs. 50 Crores as per latest audited financial statement, and
   ii. not having aggregate of any borrowings from banks and public financial institution or body corporate exceeding Rs. 25 Crore at any point of time during the financial year.

   Hence reporting under the clauses referred in the above, are not applicable to the Company for the year.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has no pending litigations which would impact its financial position in its financial statements.

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

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

   iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 2.30(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, 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, as disclosed in the note 2.30(ii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on such audit procedures we have 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 (a) and (b) contain any material mis-statement.

   v. The Company has not declared dividend during the year. Hence, the compliance of Section 123 of the Act is not applicable.

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vi. Based on our examination which included test checks, as disclosed in note 2.28 of the financial statements, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit-trail (edit-log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, for the periods where audit trail (edit-log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with. Further, the audit trial has been preserved as per the statutory requirements for record retention.

for SURESH & CO.
Chartered Accountants
Firm Registration No.: 004255S

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Udupi Vikram
Partner
Membership No.: 227984
Bengaluru
July 24, 2026
UDIN: 26227984TJWHER6656

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
CIN : U74999KA2016NPL092977
Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030
Balance Sheet as at March 31, 2026

INR in Lakhs

PARTICULARS	Notes Ref.	As at March 31, 2026	As at March 31, 2025
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
(a) Share capital	2.1	1.00	1.00
(b) Reserves and surplus	2.2	1,715.13	1,587.12
NON-CURRENT LIABILITIES			
(a) Long-term provisions	2.3	249.35	242.52
CURRENT-LIABILITIES			
(a) Short term borrowings	2.4	-	-
(b) Trade payables			
- Total outstanding due to micro & small enterprises			
- Total outstanding due to others	2.5	2.18	2.35
(c) Other current liabilities	2.6	354.53	78.46
(d) Short-term provisions	2.7	4.56	4.02
Total equity and liabilities		**2,326.75**	**1,915.47**
ASSETS			
NON CURRENT ASSETS			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property plant & equipment	2.8	308.74	356.05
(ii) Intangible assets			
(iii) Capital work in progress			
(b) Non-current investments	2.9	555.88	555.88
(c) Other Non Current Assets	2.10	0.79	0.79
CURRENT ASSETS			
(a) Trade receivables	2.11	46.82	40.75
(b) Cash and bank balances	2.12	1,215.40	842.69
(c) Short term Loans & Advances	2.13	160.08	90.28
(d) Other current assets	2.14	39.04	29.03
TOTAL		**2,326.75**	**1,915.47**

Significant Accounting Policies	1
Notes forming part of financial statements	2

Refer to our report of even date attached
for **SURESH & CO.**
Chartered Accountants
Firm Registration No : 004255S

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Udupi Vikram
Partner
Membership No : 227984
Bengaluru
24th July 2026

For and on behalf of Board of Directors of

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Ramanathan Narayanan
Director
DIN: 01745689
Bengaluru
24th July 2026

Manish Kumar Jaiswal
CEO & Whole Time Director
DIN: 10752173
Hubballi
24th July 2026

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN : U74999KA2016NPL092977

Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030

Statement of Income and Expenditure for the year ended March 31, 2026

INR in Lakhs

PARTICULARS	Notes Ref.	Year Ended March 31, 2026	Year Ended March 31, 2025
INCOME			
Revenue from operations	2.15	246.61	389.83
Other income	2.16	49.02	47.85
Transfer from capital grant - depreciation equalisation	2.2	36.73	38.44
TOTAL		**332.36**	**476.12**
EXPENSES			
Employee cost & benefits	2.17	202.53	301.22
Finance cost	2.18	0.00	14.31
Depreciation and amortization expenses	2.8	50.64	48.76
Other expenses	2.19	218.20	340.99
TOTAL		**471.37**	**705.28**
Surplus/(Deficit) before tax		**(139.01)**	**(229.16)**
Tax expenses			
a) Current tax		-	-
b) Deferred tax (income)/expenses		-	-
Surplus/(Deficit) after tax		**(139.01)**	**(229.16)**
Earnings per share (Face value of Rs. 100/- per share) - Basic / Diluted (in ₹)	2.21	(13,900.57)	(22,916.37)
Significant Accounting Policies	1		
Notes forming part of financial statements	2		

Refer to our report of even date attached
for **SURESH & CO.**
Chartered Accountants
Firm Registration No : 004255S

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Udupi Vikram
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24th July 2026

For and on behalf of Board of Directors of

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

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FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
CIN:U74999KA2016NPL092977
Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030
Cash flow statement for the year ended March 31, 2026

INR in Lakhs

Sl. No	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	**Cash flow from Operating activities**		
	Profit before tax	**(139.01)**	**(229.16)**
	Adjustments for:		
	Depreciation and amortisation expenses	50.64	48.76
	Finance costs	-	14.31
	Interest income from bank on deposits	(47.49)	(38.29)
	Depreciation Equalisation	(36.73)	(38.44)
	Provision for Bad Debts	6.24	1.76
	Investment written off/ Impaired	-	62.52
	Gratuity Liability	6.36	5.91
	Leave Encashment	2.18	5.01
	Liablity no longer required Written back	(0.69)	-
	Profit on Sale/Exchange of Assets/Investment	-	(8.50)
		(158.50)	(176.13)
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets		
	Trade receivables	(11.96)	(3.86)
	Other current assets	(9.19)	0.55
	Short term loans & advances	-	0.72
	Long Term Advance		
	Adjustments for increase/ (decrease) in operating liabilities		
	Trade Payables	(0.17)	(9.01)
	Other current liabilities	276.09	(13.61)
	Gratuity & Compensated leave	(1.18)	(9.39)
	Short Term Borrowing	-	(163.54)
	Cash generated from operations	95.09	(374.27)
	Income tax (paid) net of refund	(0.83)	3.53
	Net cash flow from / (used in) operating activities	**94.26**	**(370.74)**
B	**Cash flow from Investing activities**		
	Capital grant received (including interest income)	476.58	415.64
	Prototype & Other Grants disbursed to Innovators	(155.32)	(74.90)
	Unspent grants / interest on grant refunded	(6.68)	(14.67)
	Withdrawn for Execution of Grant	(10.50)	(20.10)
	Purchase of fixed assets	(3.32)	(35.58)
	Sale of fixed assets	-	-
	Non current investments	-	8.52
	Interest income from bank on deposits	47.49	38.29
	Net cash flow from / (used in) investing activities	**348.25**	**317.20**

Continued...

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
CIN:U74999KA2016NPL092977
Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030
Cash flow statement for the year ended March 31, 2026

INR in Lakhs

Sl. No	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C	**Cash flow from Financing activities**		
	Proceeds from Short term borrowings		-
	Loans to Startups Under SISFS	(69.80)	(70.00)
	Finance costs	-	(14.31)
	Net cash flow from / (used in) financing activities	**(69.80)**	**(84.31)**
	Cash and bank balances at the beginning of the year	**842.69**	**980.54**
	Net increase / (decrease) in cash and bank balances (A)+(B)+(C)	**372.71**	**(137.85)**
	Cash and bank balances at the end of the year	**1,215.40**	**842.69**
	Components of cash and bank balances		
	Cash in hand		-
	Balances with banks	912.28	839.77
	Other Bank Balances	303.12	2.92
		1,215.40	**842.69**

See accompanying notes forming part of financial statements

Refer to our report of even date attached
for **SURESH & CO.**
Chartered Accountants
Firm Registration No : 004255S

Udupi Vikram
Partner
Membership No : 227984
Bengaluru
Date: 24th July 2026

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors of
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Ramnathan Narayanan
Director
DIN: 01745689
Bengaluru
Date: 24th July 2026

Manish Kumar Jaiswal
CEO & Whole Time Director
DIN: 10752173
Hubballi
Date: 24th July 2026

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

CIN : U74999KA2016NPL092977

Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

	PARTICULARS	As at March 31, 2026	As at March 31, 2025
2.1	**SHARE CAPITAL**		
	AUTHORISED		
	1000 Equity Shares of Rs.100/- Each	1.00	1.00
	ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
	1000 Equity Shares of Rs.100/- Each	1.00	1.00

a) Terms/Rights attached to Equity Shares

The Company has only one class of share i.e., Equity Shares having a face value of Rs.100/- per share. Each Equity shareholder is entitled to one vote per share. Since, the Company is a Section 8 Company, the Company is not permitted to distribute Profit or Benefit to members. Hence the Company has not declared any Dividend.

b) Movement of Shares during the year	**Nos.**	**Nos.**
Equity Shares at the beginning of the Year	1,000.00	1,000.00
Add: Issued during the Year	-	-
	1,000.00	1,000.00
Less: Buy back of shares/For fieted Shares	-	-
Balance at the end of the Year	**1,000.00**	**1,000.00**

c) Details of shareholders holding more than 5% in the paid up share capital of the Company

Name of the Share Holder	As at 31 March 2026 No. of Shares	As at 31 March 2026 % Holdings	As at 31 March 2026 No. of Shares	As at 31 March 2026 % Holdings
Equity shares of Rs.100/- each fully paid up				
Shri Shreekant Deshpande	340.00	34.00%	340.00	34.00%
Shri Mahesh B Grampurohit	330.00	33.00%	330.00	33.00%
Shri Prasad Patil	330.00	33.00%	330.00	33.00%

d) Shareholding of Promoters

Shares held by promoter at the end of the year

Promoter name	Year ending 31 March 2026 No. of shares	% of total Shares	Year ending 31 March 205 No. of shares	% of total Shares
Shri Shreekant Deshpande	340.00	34.00%	340.00	34.00%
Total	**340.000**	**34.00%**	**340.00**	**34.00%**

e) Dematerialisation of Shares

The Company has obtained an International Security Identification Number (ISIN) INE2MRF01014 from National Securities Depositories Ltd, (NSDL), an electronic Securities Depository in India. The shareholders are in the process of dematerialising their shares which are hitherto held in physical form.

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

		As at March 31, 2026	As at March 31, 2025
2.2	**RESERVES AND SURPLUS**		
a.	**Retained Earnings**		
	Opening Balance	(1,189.98)	(960.82)
	Add: Surplus/(Defecit) for the Year	(139.01)	(229.16)
		(1,328.99)	(1,189.98)
	Less: Transfer to Reserve	-	-
	Closing Balance	**(1,328.99)**	**(1,189.98)**
b.	**Capital Grant - DST GoI**		
	Opening Balance	25.31	32.41
	Add: Grants Received during the Year	-	-
	Add: Interest accrued & received during the Year	-	-
		25.31	32.41
	Less: Withdrawn for Depreciation Equalisation	6.11	7.09
	Closing Balance	**19.20**	**25.31**

The Department of Science and Technology (DST), Government of India (GoI) vide their Letter No: 22/06/2015-NEB (C) dated 30.06.16 has released Capital Grant of Rs.120 Lakhs to be utilised for ESTABLISHMENT OF TECHNOLOGY BUSINESS INCUBATOR at Hubballi. As per the accounting policy followed by the Company, the said Grant has been treated as capital grant and corresponding assets have been capitalised.

In continuation of the Company's accounting policy of Capitalising and Depreciating the Property, Plant and Equipment acquired out of Capital Grants and to withdraw amount equivalent to Depreciation on these Property, Plant and Equipment from this Capital Grant and Credit to the Revenue Account.

c	**Capital Grant - IESA - GoK - Development of ESDM Clusters**		
	Opening Balance	188.40	210.36
	Add: Grants Received during the Year	-	-
	Add: Interest accrued & received during the Year	-	-
		188.40	210.36
	Less: Withdrawn for Depreciation Equalisation	21.63	21.96
	Closing Balance	**166.78**	**188.40**

Pursuant to Order No. ITD-77/ADM/2017 dated 09 May 2017 issued by the Department of Information Technology & Biotechnology, Government of Karnataka (GoK), and the related Memorandum of Understanding (MoU) entered into with the India Electronics and Semiconductor Association (IESA), the Company was sanctioned a Capital Grant of Rs. 340.00 lakhs and a Revenue Grant of Rs. 60.00 lakhs. Accordingly, the Company received the entire Capital Grant of Rs. 340.00 lakhs up to FY 2018-19. Utilizing the said grant, the Company established an Electronics System Design and Manufacturing (ESDM) Facility at a total project cost of Rs. 356.65 lakhs. The balance project expenditure of Rs. 16.65 lakhs (approximately) was met from the Incubation Facility Fund and other internal accruals. The Revenue Grant of Rs. 60.00 lakhs was utilised towards the operational expenditure of the ESDM Facility, including procurement of laboratory consumables and payment of remuneration to laboratory operators, in accordance with the terms and conditions of the grant. In accordance with the Company's accounting policy, the Property, Plant and Equipment acquired out of the Capital Grant have been capitalised and are depreciated over their estimated useful lives. An amount equivalent to the depreciation charged on such assets is withdrawn from the Capital Grant and recognised as income in the Statement of Income and Expenditure

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

d.	**Capital Grant - NIDHI SSS - DST (NEB Division)**		
	Opening Balance	624.98	624.98
	Add: Grants Received during the Year	-	-
	Add: Interest accrued & received during the Year	-	-
		624.98	**624.98**
	Less: Withdrawn for Execution of Grant	-	-
	Less: Interest Refunded	-	-
	Closing Balance	**624.98**	**624.98**

Pursuant to Order No. F.No.18/5/2017-NEB issued by the Ministry of Science & Technology, Department of Science & Technology (NEB Division), Government of India, and the corresponding MoU with DST-NEB, the Company received Grant-in-Aid aggregating to Rs. 656.25 lakhs under the NIDHI – Seed Support System (NIDHI-SSS) Scheme, comprising Rs. 625.00 lakhs towards seed support to eligible incubatees and Rs. 31.25 lakhs towards management fees. The Company invested Rs. 624.14 lakhs in identified incubatees under the Scheme (FY 2017-18: Rs. 125.03 lakhs; FY 2019-20: Rs. 255.11 lakhs; FY 2021-22: Rs. 125.00 lakhs; FY 2022-23: Rs. 119.00 lakhs). The management fees were utilised towards implementation and administration of the Scheme. Interest earned on the unutilised grant funds up to FY 2023-24 was refunded to the Government of India through the Bharatkosh portal in accordance with the Scheme guidelines. The project had been completed and the Scheme had been formally closed in FY 2024-25.

e.	**Capital Grant - Give2 Asia**		
	Opening Balance	578.29	578.29
	Add: Grants Received during the Year	-	-
	Closing Balance	**578.29**	**578.29**

f.	**Capital Fund- Fidelity**		
	Opening Balance	840.40	535.52
	Add: Grants Received during the Year*	276.52	304.88
	Closing Balance	**1,116.92**	**840.40**

*A sum of ₹276.52 lakhs was received during the year from Fidelity Charitable as a corpus grant for social and economic purposes.

g.	**Capital Fund - Deshpande Foundation**		
	Opening Balance	150.00	150.00
	Add: Grants Received during the Year*	-	-
	Closing Balance	**150.00**	**150.00**

*Company had received Corpus funds from Deshpande Foundation during the financial year 2020-21.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

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2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

h. Capital Grant - Nidhi EIR

Opening Balance	11.22	24.58
Add: Grants Received during the Year	-	7.20
Add: Interest accrued & received during the Year	0.24	0.72
	11.46	**32.50**
Less: Withdrawn for Execution of Grant	10.50	20.10
Less: Refund of Unspent Grant	-	-
Less: Refund of Interest earned on grant	0.95	1.18
Closing Balance	**0.00**	**11.22**

The Department of Science & Technology (DST), Government of India, under the National Initiative for Developing and Harnessing Innovations (NIDHI) Programme, provides financial assistance under the Entrepreneurs-in-Residence (NIDHI-EIR) Scheme. Pursuant to the Agreement dated 12 October 2021, the Company received a grant of Rs. 36.00 lakhs towards EIR support and Rs. 3.60 lakhs towards administrative expenses. The grant was utilised in accordance with the Scheme guidelines, and the first cycle of the project was successfully completed.

Subsequently, the Company was sanctioned the second cycle of the NIDHI-EIR Programme vide sanction dated 01 May 2023, with financial assistance of Rs. 36.00 lakhs towards EIR support and Rs. 3.60 lakhs towards administrative expenses. The final instalment of the sanctioned grant was received in August 2024. The second cycle of the Programme was successfully completed during FY 2025-26, and the grant was utilised in accordance with the terms and conditions of the Scheme.

i. Capital Grant - NIDHI PRAYAS

Opening Balance	167.68	163.16
Add: Grants Received during the Year	10.00	80.00
Add: Interest accrued & received during the Year	1.31	1.59
	179.00	**244.75**
Less: Withdrawn for Depreciation Equalisation	8.99	9.38
Less: Prototype Grant for Innovators	91.77	54.20
Less: Refund of Unspent grant	2.98	12.10
Less: Refund of interest earned on grant	2.75	1.38
Closing Balance	**72.50**	**167.68**

Pursuant to Order No. SINE/2019PC25/2019-20(01) issued by the Ministry of Science & Technology, Department of Science & Technology (National Science & Technology Entrepreneurship Development Board), the Company was sanctioned financial assistance under the PRAYAS Programme for establishing a PRAYAS Centre at its incubation facility. Under the first cycle, the Company was sanctioned a grant of Rs. 220.00 lakhs, comprising Rs. 100.00 lakhs towards establishment of the PRAYAS Shala (laboratory infrastructure), Rs. 100.00 lakhs towards prototype grants and Rs. 20.00 lakhs towards operational expenditure, which was received during FY 2019-20 and FY 2020-21. The project has been successfully completed. The Company was subsequently sanctioned the second and third cycle grants of Rs. 120.00 lakhs each, comprising Rs. 100.00 lakhs towards prototype grants and Rs. 20.00 lakhs towards operational expenditure. The grants were received during FY 2021-22 & FY 2022-23 (second cycle) and FY 2023-24 (third cycle), and both projects have been successfully completed. During FY 2024-25, the Company was sanctioned the fourth cycle grant of Rs. 120.00 lakhs, comprising Rs. 100.00 lakhs towards prototype grants and Rs. 20.00 lakhs towards operational expenditure. During FY 2025-26, the Company received a further Rs. 12.00 lakhs (Rs. 10.00 lakhs towards prototype grants and Rs. 2.00 lakhs towards operational expenditure). The fourth cycle of the Programme is currently under implementation. The capital assets created out of the grant for establishment of the PRAYAS Shala have been capitalised in accordance with the Company's accounting policy. An amount equivalent to the depreciation charged on such assets is transferred from the Capital Grant to the Statement of Income and Expenditure.

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

j. **Capital Grant - Startup India Seed Fund Scheme (SISFS)**

Opening Balance	190.83	190.27
Add: Grants Received during the Year	142.33	-
Add: Interest accrued & received during the Year	2.28	5.56
	335.44	**195.83**
Less: Grant disbursed	20.00	5.00
Less: Interest Refunded	-	-
Closing Balance	**315.44**	**190.83**

IIn terms of Order P-38015/17/2023-STARTUP India, Ministry of commerce & Industry, Department for promotion of Industry and Internal Trade (Startup India Section) company has received first instalment (40%) Grant of Rs.210 Lakhs (out of which 10 Lakhs is towards operational expenditure) during the financial year 2023-24 under the startup india seeed fund scheme. the seed fund shall be utilized for providing onward funds to selected startups as per the para 8 of SISFS guidelines. Further company has received second tranche of grant INR 142.33 Lakhs for providing onward fund to selected startups. vide sanction number P-38015/17/2023-STARTUP INDIA (Computer No. 185312) dated March 12, 2026.

k. **Capital Grant - MeiTy Capital Grant - EIR**

Opening Balance	-	-
Add: Grants Received during the Year	43.55	15.70
	43.55	**15.70**
Less: Grant disbursed	43.55	15.70
Closing Balance	-	-

In terms of letter dated 13 Sep 2024-Governament of India, Ministry of Electronics & Information Technology company had shortlisted for GENESIS scheme of MeitY grant. in terms of the sanction order No. MSH/03/2025-MSH-DIC dated 01.02.2025, FSSI has received a Total Grant of Rs.57.02 Lakhs during the financial year 2025-26. out of which Rs 43.55 Lakhs is for providing onward funds to selected startups as per the guidelines and remaining Rs 13.47 Lakhs towards operational expenditure and for Branding Activities under the GENESIS-EIR Program.

TOTAL OF RESERVES AND SURPLUS	**1,715.13**	**1,587.12**

2.3	LONG TERM PROVISIONS	As at March 31, 2026	As at March 31, 2025
	Compensated Absence (Refer Note.2.23)	5.41	4.04
	Gratuity Provision (Refer Note.2.23)	6.37	0.91
	Provision for Impairment of Investment	237.57	237.57
	TOTAL	**249.35**	**242.52**

2.4	SHORT-TERM BORROWINGS	As at March 31, 2026	As at March 31, 2025
	Secured borrowings:		
	Overdraft facility from RBL Bank *	-	-
	Unsecured borrowings	-	-
	TOTAL	-	-

2.5	TRADE PAYABLES	As at March 31, 2026	As at March 31, 2025
	(i) MSME	-	-
	(ii) Others	2.18	2.35
	(iii) Disputed dues-MSME	-	-
	(iv) Disputed dues-Others	-	-
	TOTAL	**2.18**	**2.35**

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

2.6	OTHER CURRENT LIABILITIES	As at March 31, 2026	As at March 31, 2025
	Liability for expense	20.02	22.74
	Salary Recoveries - Relief Fund Contributions	0.15	0.15
	Statutory dues	2.68	3.02
	Rent deposits - Incubatees	19.99	15.17
	Advance from debtors	-	0.04
	*Unspent grant (refer note 1.3)	310.25	37.24
	Credit card dues	0.89	-
	Others	0.55	0.10
	TOTAL	354.53	78.46

*The above unspent grant includes ₹298.27 lakhs received during the year from Fidelity Charitable for the financial year 2026–27 towards meeting operating expenses for economic and social purpose programmes.

2.7	SHORT TERM PROVISIONS	As at March 31, 2026	As at March 31, 2025
	Compensated absence	0.87	0.75
	Gratuity Provision	3.69	3.27
	Provision for employment benefit (Refer Note. 2.23)		
	TOTAL	4.56	4.02

2.8	Property, Plant and Equipment : (Related details are enclosed separately in Note 2.8)	308.74	356.05

2.9	NON CURRENT INVESTMENTS	As at March 31, 2026	As at March 31, 2025
(a)	Investments in Equity Instruments (Unquoted)		
	- 3Veni Tech Private Limited 200 shares of Re.1/- each, Fully paid up (PY- 200 shares of Rs.1/- each)	0.02	0.02
	- ArtitechInnovation Pvt Ltd 2000 shares of Rs.10/- each, Fully paid up(PY-2000 shares of Rs.10)	0.20	0.20
	- Ascentia Innovation Pvt Ltd 40 shares of Rs.10/- each, Fully paid up (PY40 shares of Rs.10/-)	0.00	0.00
	-Centrado Tech Solution Pvt Ltd 200 shares of Rs.10/- each, Fully paid up(PY-200 shares of Rs.10/-)	0.02	0.02
	- Ckelp Tech Private Limited 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each)	0.02	0.02
	-Dailygate Informix Pvt Ltd 40 shares of Rs.10/- each, Fully paid up(PY-40 shares of Rs.10/-)	0.00	0.00
	-Docketrun Tech Pvt Ltd 100 shares of Rs.10/- each, Fully paid up (PY-100 shares of Rs.10/-)	0.01	0.01
	- Dwail Private Limited 200 shares of Rs.10/- each, Fully paid up (PY- 200 Share of Rs.10/- each)	0.02	0.02
	- Electreps Private Limited 216 shares of Rs.10/- each, Fully paid up (PY - 216 shares of Rs.10/- each)	0.02	0.02
	- Intelligrow Cosnsultancy Services Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY-200 shares of Rs.10/-)	0.02	0.02
	- Kakud Post Harvest Pvt ltd 10 shares of Rs.10/- each, Fully paid up (PY-10 shares of Rs.10/-)	0.00	0.00

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

2.9 NON CURRENT INVESTMENTS	As at March 31, 2026	As at March 31, 2025
-KotumbDigital Empowerment & Careers Pvt Ltd 20000 shares of Rs.1/- each, Fully paid up (PY-20000 shares of Rs.1/-)	0.20	0.20
- Lifetrons Inno Equipment's Private Limited 20 shares of Rs.100/- each, Fully paid up (PY - 20 shares of Rs.100/- each)	0.02	0.02
- LMGK Agro Products Pvt Ltd 20 shares of Rs.100/- each, Fully paid up (PY - 20 shares of Rs.100/- each)	0.02	0.02
- Nautilus Hearing Solutions Private Limited 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each)	0.02	0.02
- Nebeskie Labs Private Limited 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each)	0.02	0.02
-Nextndco Innovation Pvt Ltd 20 shares of Rs.10/- each, Fully paid up (PY-20 shares of Rs.10/-)	0.00	0.00
-Nturing Tech Pvt Ltd 10 shares of Rs.10/- each, Fully paid up (PY-10 shares of Rs.10/-)	0.00	0.00
- Oscillo Machines Private Limited 40 shares of Rs.10/- each, Fully paid up (PY - 40 Share of Rs.10/- each)	0.00	0.00
- Pequrel Microelectronics Private Limited 100 shares of Rs.10/- each, Fully paid up (PY - 100 shares of Rs.10/- each)	0.01	0.01
- Prakriya Entrepreneurs Private Limited 200 shares of Rs.10/- each, Fully paid up (PY - 200 shares of Rs.10/- each)	0.02	0.02
- Printalytix Pvt Ltd 400 shares of Rs.10/- each, Fully paid up (PY-400 shares of Rs.10/-)	0.04	0.04
- Rapture Innovation Labs Pvt Ltd 217 shares of Rs.10/- each, Fully paid up (PY-217 shares of Rs.10/-)	0.02	0.02
- Shopgro India Private Limited 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each)	0.02	0.02
-Skyfire Aplied Intelligence Pvt Ltd 208 shares of Rs.10/- each, Fully paid up (PY-208 shares of Rs.10/-)	0.02	0.02
-Sparcolife Digital Helathcare Technologies Pvt Ltd 1000 shares of Rs.10/- each, Fully paid up (PY-1000 shares of Rs.10/-)	0.10	0.10
Symgrow Technologies Pvt Ltd 20 shares of Rs.10/- each, Fully paid up (PY-20 shares of Rs.10/-)	0.00	0.00
- Tattvalabs Private Limited 600 shares of Rs.10/- each, Fully paid up (PY- 600 shares of Rs. 10/- each)	0.06	0.06

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

2.9 NON CURRENT INVESTMENTS	As at March 31, 2026	As at March 31, 2025
- Transil Technologies Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs. 10/- each)	0.02	0.02
- Transity Digital Solution pvt Ltd 1000 shares of Rs.10/- each, Fully paid up (PY- 1000 shares of Rs. 10/- each)	0.10	0.10
- Adaptive Agritech Solutions Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs. 10/- each)	0.02	0.02
Inv: Uyiriyal Biotech Private Limited 20 shares of Rs.10/- each, Fully paid up (PY-Nil))	0.00	0.00
- Gowma Non Leather Private Limited 200 shares of Rs.10/- each, Fully paid up (PY - 200 shares of Rs.10/- each)	0.02	0.02
- Artstreet International Solution Private Limited 200 shares of Rs.10/- each, Fully paid up (PY - 200 shares of Rs.10/- each)	0.02	0.02
- Safehands 24x7 Services Private Limited 200 unquoted shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each)	0.02	0.02
- R2 PRO PRIVATE LIMITED 771 shares of Rs.10/- each, Fully paid up (PY - 771 shares of Rs.10/- each)	0.08	0.08
- Wide Mobility Mechatronic Private Limited 360 shares of Rs.10/- each, Fully paid up (PY - 360 shares of Rs.10/- each)	0.04	0.04
- Inv : Fluxgen Sustainable Technologies Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10- each)	0.02	0.02
- Inv : Kshira Dhaare Farms Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10- each)	0.02	0.02
-Inv : Vendosmart Tech Pvt Ltd 3279 shares of Rs.10/- each, Fully paid up (PY- 3279 shares of Rs.10/- each)	0.33	0.33

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

2.9 NON CURRENT INVESTMENTS	As at March 31, 2026	As at March 31, 2025
- Ekathva Innovations Pvt Ltd 300 shares of Rs.10/- each, Fully paid up (PY- 300 shares of Rs.10/- each)	0.03	0.03
- Fala Tech Pvt Ltd 20 shares of Rs.10/- each, Fully paid up (PY- 20 shares of Rs.10/- each)	0.00	0.00
- Fluxgen Engg Tech Pvt Ltd 211 shares of Rs.10/- each, Fully paid up (PY- 211 shares of Rs.10/- each)	0.02	0.02
- Prakrta Consumer Products Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each)	0.02	0.02
- Suryanirbhar Technology Pvt Ltd 20 shares of Rs.10/- each, Fully paid up (PY- 20 shares of Rs.10/- each)	0.00	0.00
- Vyanth Farm Equipments Pvt Ltd 200 shares of Rs.10/- each, Fully paid up (PY- 200 shares of Rs.10/- each) CY-Nil (PY- 757 shares of Rs. 1593/- each)	0.02	0.02
- Wide Mobility Mechatronic Private Limited * 13137 shares of Rs.227/- each, Fully paid up (PY- 13137 shares of Rs.227/- each)	29.82	29.82
- Nautilus Hearing Solutions Private Limited * 1647 shares of Rs.6075/- each, Fully paid up (PY1647 shares of Rs.6075/- each)	100.06	100.06
- Nebeskie Labs Private Limited * 1235 shares of Rs.2430/- each, Fully paid up (PY- 1235 shares of Rs.2430/- each)	30.01	30.01
- Shopgro India Private Limited - NIDHI * 824 shares of Rs.6075/- each, Fully paid up (PY-412 shares of Rs.6075/- each)	50.06	50.06
- Electreps Private Limited * 1143 shares of Rs.8750/- each, Fully paid up (PY-1143 shares of Rs.8750/- each,)	100.01	100.01
- Fala Tech Private Limited * 2394 shares of Rs.1044.5/- each, Fully paid up (PY-2394 shares of Rs.1044.5/- each, Fully paid upl)	25.01	25.01
- AriTech Innovations pvt ltd 13195 shares of Rs.714.29/- each, Fully paid up (PY- 4900 shares of Rs.714.29/- each, Fully paid up)	94.25	94.25
- Rapture Innovations Lab Ptv .Ltd 851 shares of Rs.5876.5/- each, Fully paid up and 459 shares of 10,877.70/- each fully paid. (PY-851 shares of Rs.5876.5/- each, Fully paid up)	99.94	99.94

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FOUNDATION FOR SANDBOX STARTUP INITIATIVES ★

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

2.9 NON CURRENT INVESTMENTS	As at March 31, 2026	As at March 31, 2025
(b) Investments in preference shares (Unquoted)		
- Wide Mobility Mechatronic Private Limited * 2503 shares of Rs.1000/- each, Fully paid up (PY- 2503 shares of Rs.1000/- each)	25.03	25.03
TOTAL	555.88	555.88
i) Aggregate amount of quoted investments and market value thereof		
ii) Aggregate amount of unquoted investments	555.88	555.88
iii) Aggregate provision for diminution in value of investments.	237.57	237.57
Direct investment #	1.70	1.70
Out of Grant received from NIDHI - SSS Scheme *	554.18	554.18

Direct Investment represent the Investments in incubatee Entities, in terms of the Incubation Arrangement with respective incubatees.

* With reference to the Investment under NIDHI SSS Scheme, the said investments are out of the Grants received from DST under NIDHI - SSS Scheme. Also refer Note No.2 (d) above.

2.10 OTHER NON-CURRENT ASSETS	As at March 31, 2026	As at March 31, 2025
Balances with government authorities	0.79	0.79
TOTAL	0.79	0.79

2.11 TRADE RECEIVABLES	As at March 31, 2026	As at March 31, 2025
(a) Secured, considered good		-
(b) Unsecured, considered good	46.82	40.75
(c) Doubtful	18.91	12.67
Less: Provision for Doubtful Debts	(18.91)	(12.67)
	46.82	40.75

For ageing related disclosures refer Note 2.11

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

2.12 CASH AND BANK BALANCES		As at March 31, 2026	As at March 31, 2025
Cash in hand			
Balances with banks:			
- in current accounts		12.75	3.61
- in savings accounts		899.53	836.16
Other Bank Balances:			
- in Deposit Accounts (Less than 12 months) *		303.12	2.92
	TOTAL	1,215.40	842.69

2.13 SHORT-TERM LOANS AND ADVANCES		As at March 31, 2026	As at March 31, 2025
Startup India Seed Fund Loans		139.80	70.00
Other Loans		20.28	20.28
	Sub Total	160.08	90.28
Less: Provision for Doubtful Loans			-
	TOTAL	160.08	90.28

2.14 OTHER CURRENT ASSETS		As at March 31, 2026	As at March 31, 2025
Unsecured and considered good			
Prepaid expense		6.04	7.33
Accrued interest		13.70	1.46
Interest Accrued but not Due		4.00	3.28
Interest Accrued but Due		4.14	1.71
Advance to suppliers		0.17	0.92
CD Balance		1.00	4.92
Rent Security Deposit		0.48	0.48
Deposit with NSDL		0.10	-
Balances with government authorities		9.38	8.56
Credit Card		-	0.20
Prepaid Card		0.03	0.17
	TOTAL	39.04	29.03

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

2.15	**REVENUE FROM OPERATIONS**	**Year Ended March 31, 2026**	**Year Ended March 31, 2025**

Company is a Section 8 Company, formed for mainly to set up and undertaking running and maintenance of Incubation Centre, Provide Support Services and undertaking Entrepreneurship development programs. Further, being a Section 8 Company, Company also receives Grants/Donations/Contributions etc., from various Government and Non-Government agencies to support all the activities of the Company. The details of Income derived from these operations are as follows:

		Year Ended March 31, 2026	Year Ended March 31, 2025
a.	Revenue From Incubation & Entrepreneurship Development activities	181.35	146.88
b.	Grant from Supporting Agencies *	65.26	242.95
	TOTAL	**246.61**	**389.83**

*Grants are meant to be used for the objects for which the Company is established and hence treated as Operating Income.

2.16	**OTHER INCOME**	**Year Ended March 31, 2026**	**Year Ended March 31, 2025**
	Interest income	47.49	38.29
	Interest on income tax refund	0.47	0.66
	Profit on Sale of Investment	-	8.50
	Others	1.06	0.40
	TOTAL	**49.02**	**47.85**

2.17	**EMPLOYEE COST & BENEFITS**	**Year Ended March 31, 2026**	**Year Ended March 31, 2025**
	Salaries and wages	178.96	263.80
	Contribution to provident fund and others	5.83	8.99
	Gratuity	6.36	5.91
	Compensated absence	2.18	5.01
	Staff welfare expenses	1.54	0.85
	Variable Pay	-	6.94
	Staff Medical Insurance	7.66	9.72
	TOTAL	**202.53**	**301.22**

2.18	**FINANCE COST**	**Year Ended March 31, 2026**	**Year Ended March 31, 2025**
	Interest On Overdraft	-	14.31
	TOTAL	**-**	**14.31**

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

2.19 OTHER EXPENSES	Year Ended March 31, 2026	Year Ended March 31, 2025
Office & Other Utility Expenses	100.23	105.89
Professional Charges	12.27	67.25
Impairment of Investment	-	62.52
Networking & Training Program	38.68	40.89
Repairs and Maintenance		
- Building	27.65	16.37
- General	4.09	12.66
- Electrical	5.82	3.94
- Computers	0.68	0.27
Lab Consumables	4.53	4.89
Travelling Expenses	9.59	13.32
Subscription for Software Services	0.08	4.88
Lease and Rentals	3.54	2.29
Auditors' Remuneration	2.27	2.27
Printing & Stationery	2.00	0.63
Telephone, Postage & Courier	0.24	0.61
Bank charges	0.25	0.29
MED Program Expenses	-	0.21
Miscellaneous expense	0.01	0.03
Rates & Taxes - Renewals & Fees	0.00	0.03
Doubtful debts	6.24	1.76
Prior Period Expenses	0.02	-
TOTAL	**218.20**	**340.99**

2.20 The Statutory Auditors' remuneration includes the following:	Year Ended March 31, 2026	Year Ended March 31, 2025
(i) For Statutory audit	1.20	1.20
(ii) For Certification	0.27	0.27
(iii) Income tax matter	0.80	0.80
TOTAL	**2.27**	**2.27**

2.21 EARNINGS PER SHARE	Year Ended March 31, 2026	Year Ended March 31, 2025
Surplus/ (Deficit)After Tax attributable to Equity Shareholders (INR in Lakhs)	(139.01)	(229.16)
Weighted Average Number of Equity Shares in calculating Basic/Diluted	1,000.00	1,000.00
Nominal Value per share (INR)	100.00	100.00
Basic/Diluted Earnings per share (INR)	(13,900.57)	(22,916.37)

FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2 NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

OTHER NOTES TO AND FORMING PART OF ACCOUNTS

	2.22 CONTINGENT LIABILITIES	As at March 31, 2026	As at March 31, 2025
a	Claims against the Company not acknowledged as debt	-	-
b	Bank Guarantees	-	-
c	Letter of Credits	-	-

Earnings and Expenditure in Foreign Currency	Year Ended March 31, 2026	Year Ended March 31, 2025
Earning in Foreign Currency	-	-
Expenditure in Foreign Currency - Capital Expenditure	-	-

2.23 Employee benefits

The Company operates a funded gratuity scheme for eligible employees through the Group Gratuity Scheme of the Life Insurance Corporation of India (LIC). The gratuity obligation is a defined benefit plan. The liability towards gratuity as at 31 March 2026 has been determined on the basis of an independent actuarial valuation using the Projected Unit Credit Method. Contributions made to the LIC Group Gratuity Fund are recognised as plan assets. The net defined benefit liability/(asset), being the difference between the present value of the defined benefit obligation and the fair value of plan assets, has been recognised in the Balance Sheet. The gratuity expense recognised in the Income and Expenditure Account comprises current service cost, interest cost, expected return on plan assets (where applicable under AS 15), actuarial gains/losses recognised during the year, and any past service cost, as determined by the actuary. The actuarial assumptions used in the valuation, together with the disclosures relating to the defined benefit obligation, plan assets, movements in obligations, expenses recognised and principal actuarial assumptions, are tabulated below:

The following table set out the status of the **"gratuity plan"**, as required under AS-15.

Movements in accrued liability	As at March 31, 2026	As at 31 March 2025
Accrued liability as at beginning of the period	14.88	15.48
Interest cost	1.02	0.86
Current service cost	3.69	2.76
Benefits paid	-	(7.30)
Actuarial (gain) / loss	2.49	3.09
Past service cost in total (recognised & unrecognised)	-	-
Accrued liability as at the end of the year	**22.08**	**14.88**

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

Amounts to be recognized in the Balance sheet	**As at March 31, 2026**	**As at 31 March 2025**
Present value of obligations as on the accounting date		
Present value of funded obligations as on the accounting date	22.08	14.88
Fair value of the plan assets	(12.02)	(10.70)
Unrecognised past service cost	-	-
Liability/(Asset) to be recognized in the Balance Sheet	**10.06**	**4.19**
Bifurcation of Current & Non- current on		
Current	3.69	3.27
Non-Current	6.37	0.91
Total Liability	**10.06**	**4.19**

Expenses to be recognized in statement of Income and Expenditure	**For the Year Ended 31 March 2026**	**For the Year Ended 31 March 2025**
Interest cost	1.02	0.86
Current service cost	3.69	2.76
Recognised past service cost vested	-	-
Recognised past service cost unvested	-	-
Net actuarial (gain) / loss	2.40	3.15
Expected return on plan assets	(0.75)	(0.85)
Net expenses to be recognized in statement of Income and Expenditure	**6.36**	**5.91**

Reconciliation	**As at March 31, 2026**	**As at 31 March 2025**
Net liability as at the beginning of the year	(4.19)	(1.73)
Net expenses in statement of Income and Expenditure	(6.36)	(5.90)
Employer contribution	0.49	3.45
Benefits paid	-	-
Net liability as at the end of the year	**(10.06)**	**(4.18)**

Principal actuarial assumptions	**As at March 31, 2026**	**As at 31 March 2025**
Discount rate	7.63%	6.86%
Expected rate of return on assets	6.86%	7.23%
Withdrawal /Attrition rate	5.00%	5.00%
Salary escalation	7.00%	7.00%
Mortality Rate as per	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Disability Rate (as % of above mortality rate)	5%	5%
Retirement age	58	58

The valuation has been carried using Project Unit Credit Method

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

INR In Lakhs

The following Table Set out The status of The **Compensated absence Scheme** As Required Under AS-15.

The Company provides for accumulated earned leave encashment benefits payable to employees based on an independent actuarial valuation carried out as at the Balance Sheet date using the Projected Unit Credit Method. The liability recognised in the financial statements represents the present value of the defined obligation for compensated absences as determined by the actuary. The expense recognised during the year includes current service cost, interest cost (where applicable), and actuarial gains or losses arising during the year. The actuarial assumptions used in the valuation, together with the disclosures relating to the defined benefit obligation, plan assets, movements in obligations, expenses recognised, and principal actuarial assumptions, are tabulated below

Principal actuarial assumptions	**As at March 31, 2026**	**As at 31 March 2025**
Accrued liability as at beginning of the period	4.79	5.72
Interest cost		-
Current service cost	2.18	5.01
Benefits paid	(0.69)	(5.93)
Actuarial (gain) / loss		
Past service cost in total (recognised & unrecognised)	-	-
Acquisition/Divesture/Transfers	-	-
Accrued liability as at the end of the year	**6.28**	**4.79**

Amounts to be recognized in the Balance sheet	**As at March 31, 2026**	**As at 31 March 2025**
Present value of obligations as on the accounting date		-
Present value of funded obligations as on the accounting date	6.28	4.79
Fair value of the plan assets -zero as no fund is being maintained	-	-
Unrecognised past service cost	-	-
Liability/(Asset) to be recognized in the Balance Sheet	**6.28**	**4.79**
Current	0.87	0.75
Non current	5.41	4.04

Expenses to be recognized in statement of Income and Expenditure	**For the Year Ended 31 March 2026**	**For the Year Ended 31 March 2025**
Present Value of Defined Benefits Obligation At Beginning (Opening)	4.79	5.72
Present Value of Defined Benefits Obligation At Beginning (Closing)	6.28	4.79
Net Increase in Liability over the valuation period	1.49	(0.93)
Benefit payments from employer	(0.69)	(5.93)
Benefits Pay-outs from plan	-	-
Cost of Termination	-	-
Benefits/Acquisitions/Transfers		
less actual return on Plan assets	-	-
	-	-
Net expenses to be recognized in statement of Income and Expenditure	**2.18**	**5.01**

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FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

Reconciliation	As at March 31, 2026	As at 31 March 2025
Net liability as at the beginning of the year	4.79	5.72
Net expenses in statement of Income and Expenditure	2.18	5.01
Employer contribution	-	-
Benefits paid	(0.69)	(5.93)
Acquisition/Divesture/Transfers	-	-
Net liability/(Asset) as at the end of the year	**6.28**	**4.79**

Principal actuarial assumptions	As at March 31, 2026	As at 31 March 2025
Discount rate	7.63%	6.86%
Expected rate of return on assets	0.00%	0.00%
Withdrawal /Attrition rate	5.00%	5.00%
Salary escalation	7.00%	7.00%
Mortality Rate as per table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Disability Rate (as % of above mortality rate)	5%	5%
Retirement age	58	58

The valuation has been carried using Project Unit Credit Method

2.24 **Related Party Disclosures**

A) List of related parties:

i	Enterprise having significant influence /control over the Company:–	NIL
ii	Subsidiaries	NIL
iii	Fellow Subsidiaries (with whom the Company had transactions): -	NIL
iv	Affiliate of related parties (With whom the Company had transactions):	NIL

v	Key Management Personnel :	Ramanathan Narayanan	Director
		Geereddy Reddy	Director
		Rachit Parekh	Director
		Manish Kumar Jaiswal	Whole-Time Director and CEO

vi **Relative of a director:**

The Company has entered into a lease agreement with **Mr. Geerreddy Yeshwanth Reddy**, who is the **brother of a Director of the Company**, for leasing of immovable property. The lease deed is valid for a period of **11 months commencing from August 1, 2025, to June 30, 2026**, at a monthly rent of **₹29,500**. The transaction has been carried out in the ordinary course of business and at an **arm's length basis**.

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FOUNDATION FOR SANDBOX STARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

B) **Statement of material transactions during the year**

	Particulars	As at March 31, 2026	As at 31 March 2025
i	Enterprise having significant influence /control over the Company	Nil	Nil
ii	Subsidiaries	Nil	Nil
iii	Fellow Subsidiaries (with whom the Company had transactions): -	Nil	Nil
iv	Affiliate of related parties (With whom the Company had transactions):		
	i) Remuneration To Whole Time Directors/Chief Executive Officer		
	Managerial Remuneration:		
	- Karthik Sankaran-Director & CEO*	Nil	13.93
	- Manish Kumar Jaiswal- Whole Time Director & CEO	35.27	19.30
	ii) Lease Agreement with Brother of a Director		
	Mr Geerreddy Yeshwanth Reddy	3.54	2.06

*Mr. Karthik Sankaran resigned as CEO and Director of the company on 31st August 2024. Mr. Manish Kumar Jaiswal took over the role, immediately thereafter.

B) **Statement of outstanding balances as at the year end**

Particulars	As at March 31, 2026	As at 31 March 2025
Mr Geerreddy Yeshwanth Reddy		
- Rent Payable	0.30	0.30

2.25 **Disclosure under Micro, Small and Medium Enterprises Development Act (MSMED) 2006**

Particulars	As at March 31, 2026	As at 31 March 2025
- The principal amount and the interest due thereon remaining unpaid to any supplier as at the	Nil	Nil
- The amount of interest paid by the Company along with the amounts of the payment made	Nil	Nil
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
- The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2 **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026**

INR In Lakhs

2.27 Impairment of Investments

The committe has conducted the impairment test on Investments during the FY 2024-25 and identified that a provision for impairment to increased to 100 % in Nautilus The Committee conducted an impairment assessment of its investments during FY 2024–25 and concluded that the impairment provision should be increased to 100% for Nautilus Hearing Pvt. Ltd., 75% for ElectReps Pvt. Ltd., and 50% for Fala Tech Pvt. Ltd. During FY 2025–26, the Committee reassessed these investments and recommended that no additional impairment provision was required, as there were no significant changes in the underlying circumstances warranting further impairment.

2.28 The additional information and other regulatory disclosures called for by Schedule III in the form of notes to Balance Sheet and Statement of Income and Expenditure, if not expressly mentioned elsewhere, is either NIL or Not Applicable to the company.

2.29 The Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit-trail (edit-log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, for the periods where audit trail (edit-log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with. Further the audit trail has been preserved as per the statutory requirement for record retention.

2.30 The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification. Further, disclosures are amended wherever necessary, in line with the amendments in Schedule III vide Notification dated March 24, 2021.

2.31 i) We represent that, to the best of our knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) We represent, that, to the best of our knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

for **SURESH & CO.**
Chartered Accountants
Firm Registration No : 004255S

Udupi Vikram
Partner
Membership No : 227984
Bengaluru
24th July 2026

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors of
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Ramanathan Narayanan
Director
DIN: 01745689
Bengaluru
24th July 2026

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Manish Kumar Jaiswal
CEO & Whole Time Director
DIN: 10752173
Hubballi
24th July 2026

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030

Trade receivables ageing schedule as at 31.03.2026

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	29.63	4.92	3.36	6.54	2.37	46.82
(ii) Undisputed Trade Receivables – considered doubtful	0.69	0.23	0.42	4.72	12.85	18.91
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	**30.32**	**5.15**	**3.78**	**11.26**	**15.22**	**65.72**

Trade receivables ageing schedule as at 31.03.2025

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20.90	4.64	12.14	3.08	-	40.75
(ii) Undisputed Trade Receivables – considered doubtful		0.07	0.85	5.93	5.82	12.67
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	**20.90**	**4.71**	**12.98**	**9.01**	**5.82**	**53.42**

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

CIN:U74999KA2016NPL092977

Regd. Office: Next to International Airport, Gokul Road Opp to Gokul Village Hubballi Dharwad KA 580030

Trade payables ageing schedule as at 31.03.2026

INR in Lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	2.18	-	-	-	2.18
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	**2.18**	**-**	**-**	**-**	**2.18**

Trade payables ageing schedule as at 31.03.2025

INR in Lakhs

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	2.35	-	-	-	2.35
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	**2.35**	**-**	**-**	**-**	**2.35**

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2 NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

2.26 Additional Regulatory Requirements - Ratio Analysis

Ratio	Numerator	Denominator	Current Period	Previous Period	% of variance	Reason for variance of 25% or more
Trade Receivable Turnover Ratio	Net Credit Revenue	Annual Accounts Receivable	1.04	0.92	12%	No significant variation
Trade Payable Turnover Ratio	Purchase	Annual Accounts Payables	NA	NA	NA	FSSI is working as a service industry, provides a service but does not produce anything and there is no Inventory in FSSI's books hence this ratio is NA .
Net capital Turnover Ratio	Total Revenue	Net Working Capital	-0.22	-0.42	-47%	The ratio has improved primarily due to an increase in net working capital, mainly on account of higher cash and bank balances, loans & advances, and trade receivables during the year.
Net Profit Ratio	Net Profit	Revenue	-0.42	-0.48	-13%	No significant variation
Return on capital Employed	EBIT	Capital employed.	-0.08	-0.14	-44%	The improvement in the ratio is attributable to the reduction in losses during the current year compared to the previous year.
Return on Investments	Return on Investment	Cost of Investment	0.00	0.02	100%	During the previous year, the Company recognized gains on the sale of investments. No such gains were realized during the current year, resulting in the decline in the ratio.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

2 NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

2.26 Additional Regulatory Requirements - Ratio Analysis

Ratio	Numerator	Denominator	Current Period	Previous Period	% of variance	Reason for variance of 25% or more
Current Ratio	Current Assets	Current Liabilities	4.04	11.82	-65.78%	The decrease in the current ratio is primarily due to a significant increase in current liabilities, particularly other current liabilities, despite an increase in current assets driven by higher cash and bank balances, loans & advances, and trade receivables.
Debt Equity Ratio	Total debt	Total shareholder's equity.	NA	NA	NA	As the company has no debt on its balance sheet and operates as a debt-free company, the ratio is not applicable."
Debt service coverage ratio	Net Profit + Depreciation + Interest on long term loans	Total amount of interest & principal of long term loan payable or paid during the year.	NA	NA	NA	As the company has no debt on its balance sheet and operates as a debt-free company, the ratio is not applicable."
Return on equity Ratio	Net income	Average shareholder's equity.	-0.08	-0.14	-44%	The ratio has improved due to a reduction in the loss incurred during the current year compared to the previous year.
Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA	The company is a Section 8 company engaged in supporting startups through service-based activities, does not engage in the production of physical goods. Accordingly, there is no inventory recorded in its books, and this ratio is not applicable

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
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NOTE : 2.8 PROPERTY, PLANT AND EQUIPMENT :

INR in Lakhs

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-04-2025	Additions during the year	Deductions/ Adjustments during the year	As At 31-03-2026	As At 01-04-2025	Deletion	Provided for the Year	As At 31-03-2026	As At 31-03-2026	As At 31-03-2025
A	**Tangible**										
1	COMPUTERS, SERVERS & ACCESSORIES	69.63	1.03	-	70.67	46.04	-	8.54	54.57	16.10	23.60
2	OFFICE EQUIPMENT	38.29	1.81	-	40.11	23.25	-	4.36	27.61	12.49	15.04
3	PLANT AND MACHINERY	90.82		-	90.82	42.32	-	5.50	47.82	43.00	48.50
4	FURNITURE & FIXTURES	4.87	0.47	-	5.34	1.09	-	0.48	1.57	3.77	3.78
5	ESDM FACILITIES	364.06		-	364.06	160.00	-	23.48	183.48	180.58	204.06
6	NIDHI PRAYAS : FAB LAB	87.06	-	-	87.06	25.99	-	8.27	34.26	52.80	61.07
	Total (A)	**654.74**	**3.32**	**-**	**658.06**	**298.69**	**-**	**50.64**	**349.32**	**308.74**	**356.05**
B	**Intangible**										
1	SOFTWARE & INTANGIBLE ASSETS	9.18	-	-	9.18	9.18	-	-	9.18	-	-
	Total (B)	**9.18**	**-**	**-**	**9.18**	**9.18**	**-**	**-**	**9.18**	**-**	**-**
	Grand Total (Current Year)	**663.92**	**3.32**	**-**	**667.24**	**307.87**	**-**	**50.64**	**358.51**	**308.74**	**356.05**
	Grand Total (Previous Year)	**628.34**	**35.58**	**-**	**663.92**	**259.11**	**-**	**48.76**	**307.87**	**356.05**	**369.23**

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FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
CIN: U74999KA2016NPL092977
NOTE 1: SIGNIFICANT ACCOUNTING POLICIES
Forming part of Accounts for the year ended on 31st March 2026

Background:

Foundation for Sandboxstartup Initiatives (Company) was incorporated under Section 8 of the Companies Act, 2013, vide License No.106722 dt.26.04.2016 and was incorporated on May 06, 2016.

The Primary objects of the company is to promote, encourage, foster, develop, assist, and sustain entrepreneurs and entrepreneurship through every possible effort, activities, business plan/pitch competitions, and programs. To establish, manage and operate incubators to nurture and incubate individuals and teams with innovative products/prototypes to convert their efforts to enterprises by establishing a Technology Business Incubator and establishing Testing Laboratories, Plants, co-working spaces in order to achieve its objects.

The details of current statutory registrations of the company and corresponding validity are as follows

Statute/Section/ Regn. No.	Authority	Valid until
Income Tax Act, 1961/ Section 12AB/AACCF8094L25BL01	Principal Commissioner of Income Tax	Assessment Year 2031-32
Income Tax Act, 1961/Section 80G/ AACCF8094L25BL01	Principal Commissioner of Income Tax	Assessment Year 2031-32
Foreign Contribution Regulation Act, 2010/Section 11(1) 094520085	Ministry of Home Affairs	Valid for a period of five years with effect from July 21, 2025 (Up to July 20, 2030)
The Companies Act, 2013 for CSR1/Section 135/CSR00001469	Ministry of Corporate Affair	Since April 09, 2021 and onwards
Not under any specific statute/ KA/2017/0158443	NITI Aayog, Government of India	Since July 18, 2017 and onwards

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES
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NOTE 1: SIGNIFICANT ACCOUNTING POLICIES
Forming part of Accounts for the year ended on 31st March 2026

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with applicable Rules. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make certain estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of financial statements and reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between actual results and estimates are accounted in the year/period which they materialise.

1.3 Revenue Recognition:

i. Grants, Donations and Program Sponsorships:
General Grants, Donations and Sponsorships are recognized in the year that they are received.

Grants and Donations for specific purposes are recognized in line with the Agreement with the Grantor/Donor and spread over multiple accounting periods in accordance with the requirements of expending such Grants and reported to the Grantor/Donor. Any unspent amount will be shown as unspent grant under current liability.

ii. Grants/ Donations in the form of Property, Plant & Equipment or Capital Grants/Donations for acquisition of Property, Plant & Equipment:
In the event, Property, Plant & Equipment or the cost of the Property, Plant & Equipment are received in the form of Grants/Donations, such Grants are first recognized as Capital Grant and the value of Asset is recognized in full as Capital Assets in the books of the Company. Further the corresponding assets have been depreciated as per the Accounting policy followed by the Company. Accordingly, Company will withdraw amount equivalent to Depreciation on Property, Plant & Equipment from the Capital Grant and Credit to the Revenue Account This treatment is accorded to all Grants received in the form of Property, Plant & Equipment irrespective of its useful life.

iii. Other Incoming Funds:
All incoming funds are categorized into 2 categories – Capital / Corpus Funds and General Funds.

Contributions received specifically, in writing, towards Corpus Fund of the Foundation are directly credited to Corpus Fund Account and disclosed as part of Capital Fund Account in the financial statements. Utilization of amounts from Corpus Fund are approved by Board of Directors and disclosed accordingly.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Contributions received Capital Fund of the Foundation, including Funds that are in the nature of Capital Fund as approved by the Board of Directors, are directly credited to Capital Fund Account and decisions to utilize the funds credited to Capital Fund are approved by the Board of Directors for allocation to projects, which comply with the objectives of the Company.
Wherever Donors have specific requirements as to the treatment of their funds donated as Capital / Corpus, such funds are accounted accordingly and shown separately.

Separate books of accounts including Bank accounts, as may be applicable are maintained for use of funds for projects out of Capital Funds. Balance if any, at the end of the completion of specific projects are transferred back to Capital Fund Account.

General Funds are funds which are received for general purposes and applied to all other activities of the Foundation including specific projects and are accounted as **General Donations/Voluntary contributions** under Income and Expenditure Account. Funds received under General Fund Account are to be considered for application to the activities relating to the objects of the Trust as required under the provisions of Income Tax Act, 1961 and rules framed there under.

iv. **Basis of Accounting:**
All revenues, cost, assets and liabilities are generally recognized on accrual basis. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria shall be applied in recognizing revenues in the books of account:

(a) Voluntary Contribution/General Donation:

(i) Contribution received other than for Donation in the nature of Capital Fund/Corpus as specified in this Section are recognised as income in the year of receipt unless same has to be spent over specified period of time beyond the year of receipt. In such cases, the Fund relating to the period will be recognised as Income of the Company.

(ii) Contributions received as corpus donation are credited to designated Capital Fund in the Balance sheet.

(b) Income from advisory / consultancy / policy advocacy and capacity building services are recognised on accrual basis based on percentage of completion method / agreement with clients on rendering of services.

(c) Interest income on Savings Bank accounts and Fixed Deposits are accounted on accrual basis.

(d) Dividend is accounted when the right to receive is established.

(e) Income for services received in the form of shares/debentures or other securities of Incubatees or beneficiaries are recognised as Income on the basis of allotment of shares by such Incubatees / beneficiaries, which shall be valued at lower of the face value or value derived under Net asset value Method, as certified by a Chartered Accountant, as the case may be.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

1.4 Management of Funds

All the funds of the Company held are expendable funds, subject to such restrictions or agreements that may have been entered into by the Company. The Board has complete discretion for the use of these funds in pursuance of the Company's objectives.

1.5 Property, Plant & Equipment

Assets are stated at cost of acquisition inclusive of freight, duties, taxes and interest on borrowed money allocated to and utilized for fixed asset directly attributable to bringing the assets to its working condition for its intended use and up to the date of capitalization. Fixed Assets received in the form of Grants are recognised in accordance with Clause 1.3 (ii) hereinabove.

Self-generated assets are capitalized at the actual cost of material, labour & other incidental expenditure incurred to bring such assets into existence. The costs are apportioned to individual assets on the basis of size, dimension, weight etc.

Software Licenses procured by the Company for the purposes of providing services to its incubates and other eligible users are capitalized in the Books of Account and written off over the period of license granted to the Company

1.6 Leasehold Improvements

The expenditure incurred on improvements to the leasehold premises including permanent or temporary structures therein are amortized over the period of the primary lease under straight line basis.

1.7 Depreciation:

In compliance with the requirement of Schedule II to Companies Act, 2013, the Company has adopted Straight Line Method of depreciation so as to write off 95% of the cost of the assets (Excluding Intangible Assets, which are written off 100% of the Cost) over the life of assets prescribed under Schedule II to the Companies Act, 2013, except for Property, Plant and Equipment received in the form of Grants as stated in Clause 1.3 hereinabove.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment.

Particulars	Useful life as per Schedule II	Useful life used by company
COMPUTERS	3 years	3years
OFFICE EQUIPMENT	5 years	5 years
PLANT AND MACHINERY	15 years	15 years
FURNITURE & FIXTURES	10 years	10 years

Intangible assets useful life has been considered as 3 years.

1.8 Foreign currency transactions

Remittances in foreign currency are accounted at the prevailing exchange rate on the date of the receipt of remittance. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Monetary current assets and monetary current liabilities that are denominated in foreign exchange are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account.

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

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NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of Accounts for the year ended on 31st March 2026

1.9 Investments:

i. Investments classified as Non-Current investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Further, Investments received as consideration for the services rendered by the Company are recognized as Non-Current Investments initially at the values specified in para 1.3(iv) (e) above.

ii. Current Investments are valued at Cost or net realizable value, whichever is lower.

1.10 Impairment of Investment

The Company has adopted the following process to identify any impairment in the value of Investments held by as at close of the financial year.

i. All investments made at face value will continue to be carried at face value in the Balance Sheet. An impairment would be recognized under the following circumstances

a) A startup has filed OR is in the process for filing with MCA for shutting down OR

b) The Company has not filed its MCA returns for a period of 2 financial years and the founders have expressed their inability OR not reachable.

c) The startup has filed a declaration with the Company (FSSI) that they do not intend to continue the startup.

ii. Other Investments made at premium:

d) All investments are provided a minimum gestation period of 3 years from the date of investment.

e) This period of 3 years is reduced if the Company has completely stopped operations OR has declared in writing to the Company that the startup intends to close down operations.

f) Irrespective of the performance shown by the startups, all investments at premium are carried in full in the financials for a period of 3 years.

g) Post 3 years, test of impairment of investment will consider the following:

i) Negative cash flows reported by Startups for 4 consecutive quarters from beginning of 4th year.

ii) Entire Intellectual property of the startup has been rendered obsolete due to change in business model.

iii) Any legal issues have been reported by Startup that would significantly impact its ability to operate.

iv) Other than mentioned in Sl. No. i to iii above, the investment committee in its review of overall performance of startups, feels it prudent to partially or fully write down the investment.

iii. Any write down of any investment, partial or full, is approved by the Board of Directors and regulatory authorities and/or investment partners are informed of this decision.

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Forming part of Accounts for the year ended on 31st March 2026

1.11 Income / Deferred taxes

The Company has obtained the recognition under Section 12A of the Income Tax Act, 1961 and the activities of the Company are charitable in nature. Subject to compliances under the provisions of Section 11 of the Income Tax Act, 1961, the Company is not liable to any Direct Taxes, which the Company is compliant. Hence, the Company is not recognizing Direct/ Deferred Tax Liabilities/assets.

1.12 Cash, Cash equivalents and Cash flow Statement

i. Cash and Cash equivalents: Cash and cash equivalents comprise cash on hand, cash in bank and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

ii. Cash flow statement: Cash flows are reported using the indirect method, whereby surplus / (deficit) 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.

1.13 Employee Benefits

a. Defined-contribution plans The Company's contributions to the Employees' Provident Fund and Employees' Pension Scheme are as per statute, as may be applicable, and are recognized as expenses in the Income and Expenditure account.

b. Defined – Benefit plans
Liability towards gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial Gains or Losses are recognized immediately in the Income and Expenditure account as income or expense.

c. Short term employee benefits
Liability towards short term employee benefits like salaries, social security contributions, short term compensated absences (such as paid annual leave), where the absences are expected to occur within twelve months or after the end of the period in which the employees render the related services and bonus /performance incentives etc., are recognized, during the period when the employee renders the services.

d. Leave Encashment
In accordance with the Human Resources Policy adopted by the Company, employees are allowed to carrying forward of accrued paid leaves to the maximum of 45 days over the period of the employment.

1.14 Miscellaneous Expenditure:
The preliminary expenses will be written off as expenses in the year, the same is incurred.

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1.15 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss.

1.16 Earnings per share

In determining earnings per share, the company considers the net profit/ (loss) after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the period.

For **SURESH & CO**
Chartered Accountants
Firm Registration No : 004255S

Udupi Vikram
Partner
Membership No : 227984
Bengaluru
Date: 24th July 2026

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors of
FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Ramanathan Narayanan
Director
DIN: 01745689
Bengaluru
Date: 24th July 2026

FOUNDATION FOR SANDBOXSTARTUP INITIATIVES

Manish Jaiswal

Manish Kumar Jaiswal
CEO & Whole Time Director
DIN: 10752173
Hubballi
Date: 24th July 2026