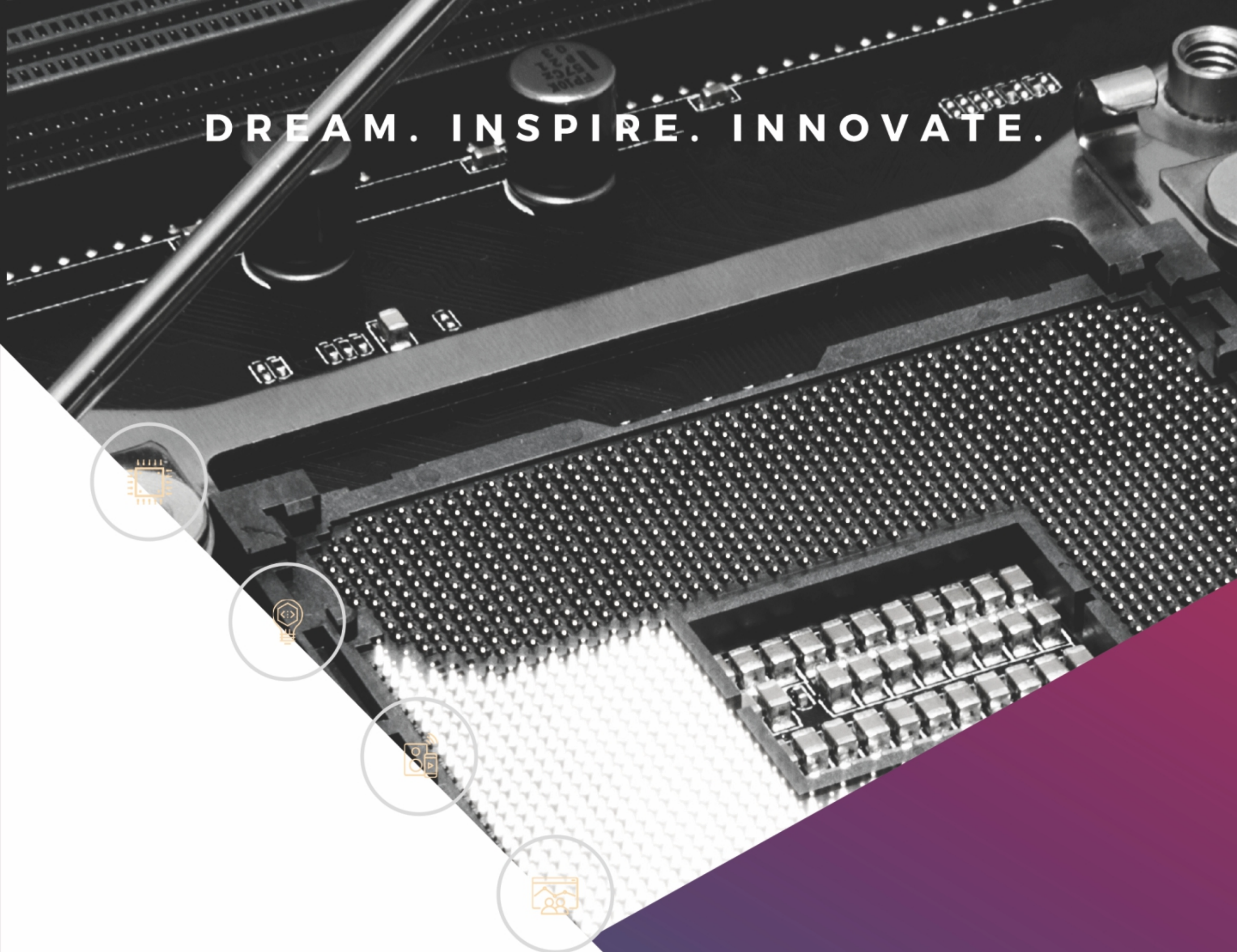


20th

ANNUAL REPORT

MARCH • 2019

MOSCHIP

C O N T E N T S

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. K. Pradeep Chandra	--	Chairman
Mr. Venkata Sudhakar Simhadri*	--	Managing Director & CEO
Mr. K. Ramachandra Reddy	--	Non-Executive Director
Mr. Prasad Gajjala	--	Independent Director
Mr. D. G. Prasad	--	Independent Director
Mr. Raja Praturi	--	Non-Executive Director
Mr. Damodar Rao Gummadapu	--	Non-Executive Director
Mrs. Madhurika Nalluri Venkat**	--	Independent Director

* Mr. Venkata Sudhakar Simhadri appointed as Managing Director w.e.f. 26th October, 2018.
** Mrs. Madhurika Nalluri Venkat appointed as additional Director w.e.f. 13th August, 2019.

COMMITTEES OF THE BOARD

Audit Committee.

Mr. Prasad Gajjala	--	Chairman
Mr. K. Pradeep Chandra	--	Member
Mr. D.G. Prasad	--	Member
Mr. Damodar Rao. G	--	Member

Nomination & Remuneration Committee.

Mr. Prasad Gajjala	--	Chairman
Mr. K. Pradeep Chandra	--	Member
Mr. Raja Praturi	--	Member

Stakeholders Relationship Committee.

Mr. Prasad Gajjala	--	Chairman
Mr. Raja Praturi	--	Member
Mr. D. G. Prasad	--	Member

Mr. Venkata Sudhakar Simhadri
Chief Executive Officer

Mr. Jayaram Susarla
Chief Financial Officer

CS Suresh Bachalakura
Company Secretary & Compliance Officer

REGISTERED OFFICE

Plot No. 83 & 84, 2nd Floor
Punnaiah Plaza, Road No. 2
Banjara Hills, Hyderabad
Telangana – 500034.
Tel : 040-6622-9292
Fax : 040-6622-9393
Website: www.moschip.com

STATUTORY AUDITORS

M/s. S. T. Mohite & Co.
Chartered Accountants
G-5, B-Block, Paragon Venkatadri Apartments
3-4-812, Street No. 1, Barkatpura,
Hyderabad – 500 027.

SECRETARIAL AUDITORS

M/s. B S S & Associates
Company Secretaries
Off: Parameswara Apartments
6-3-626, 5th Floor, 5 – A
Anand Nagar, Khairtabad
Hyderabad - 500 004.

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Fintech Pvt. Ltd.
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad - 500 032,
Telangana, India
Tel: 040-4465 5209
Email: einward.ris@karvy.com

To

The Members,

Your Directors take immense pleasure in presenting the 20th Annual Report on the business and operations of your company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Your Directors are pleased to inform you that the Amalgamation of First Pass Semiconductors Private Limited (First Pass) and GigaCom Semiconductor Private Limited (GigaCom)with your Company on the appointed date i.e.1st April, 2018 was approved by the Amaravati bench of National Company Law Tribunal (NCLT) on 03rd December, 2019 and the Hyderabad bench of National Company Law Tribunal (NCLT) on 05th December, 2019. Accordingly, First Pass and GigaCom are amalgamated with MosChip, effective from 1st April, 2018, being the appointed date.

The merger is expected to result in creation of a combined entity and synergy in the business besides achieving economies of scale. Combining the functions and the operations of all the companies is expected to result in better performance with the benefits in the form of better utilization of managerial, technical and the financial resources, thereby enhancing the value of stakeholders. The amalgamation is expected to result in Operational rationalization, Cost reduction, better administration and organizational efficiency.

1. Summary of Financial Results

(Rs. In Lakhs)

	Year ended 31 March 2019		Year ended 31 March 2018	
	Consolidated	**Standalone**	**Consolidated**	**Standalone**
Income from operations	7,475.87	5,869.07	6,017.24	4555.86
Other Income	166.62	285.30	41.30	132.29
Total Revenue	**7,642.49**	**6,154.37**	**6,058.54**	**4688.15**
Loss before Interest, Depreciation and Tax	(1,443.00)	(1171.27)	(507.18)	(452.80)
Less: Finance Cost	478.60	463.09	533.20	529.55
Less: Depreciation & Amortization	869.84	640.73	219.64	209.83
Loss before tax	(2,791.44)	**(2,275.09)**	**(1,260.02)**	**(1,192.18)**
Less: Provision for tax	96.16	-	3.48	-
Loss after tax	**(2,887.60)**	**(2,275.09)**	**(1,263.50)**	**(1,192.18)**
Net Loss for the year	**(2,887.60)**	**(2,275.09)**	**(1,263.50)**	**(1,192.18)**

2. Performance Review

Your Company, MosChip Technologies Limited (formerly MosChip Semiconductor Technology Limited (MosChip India) is a fabless model semiconductor and Internet of Things/Everything (IoT/E) focused company. It specializes in product design and development services ranging from Chip Design to Systems Development. It works with Defense Labs as well as globally acclaimed chip design companies in the areas of Chip (SOC) design and development for Aerospace, Defence, Consumer and Industrial applications and IoT/E Products and Services across various industries.

During the year the name of your Company has changed to **"MosChip Technologies Limited"** from MosChip Semiconductor Technology Limited.

On consolidated basis, the income from operations grew to Rs. 7,475.87 lakhs from Rs. 6,017.24 lakhs registering a growth of 24.24% year on year. The increased growth during the current year is primarily from Semiconductor business due to acquisitions. The loss before Interest, Depreciation and Tax stood at Rs. (1,443.00) lakhs while that of previous year stood at Rs. (507.18) lakhs. The Consolidated results however showed a Net Loss for the year at Rs. 2,887.60 lakhs as against a Net loss of Rs. 1,263.50 lakhs in the previous year. The increase in loss is due to new hires done at the leadership level, this will get rationalized over coming periods.

On a standalone basis, income from operations for the year stood at Rs. 5,869.07 lakhs as against Rs. 4,555.86 lakhs for the preceding year. Standalone Net Loss for the FY 2018-19 was Rs. 2,275.09 lakhs as against Net Loss of Rs.1,192.18 lakhs for the FY 2017-18.

The Performance review of the Company and its subsidiaries for the year is detailed in **Annexure - A** under 'Management Discussion & Analysis' annexed hereto pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

3. Subsidiaries, Joint Ventures and Associate Companies

During the financial year, your company has acquired 2 subsidiary Companies namely MosChip Institute of Silicon Systems Private Limited (formerly known as Institute of Silicon Systems Private Limited) and GigaCom Semiconductor, LLC. MosChip Global Pte Limited, the Singapore subsidiary of your company was wound up.
As on 31st March, 2019, the Company has 4 direct subsidiaries, namely;

01) MosChip Technologies, USA (formerly known as MosChip Semiconductor Technology, USA).
02) Maven Systems Private Limited
03) MosChip Institute of Silicon Systems Private Limited.
04) GigaCom Semiconductors, LLC.

There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is enclosed as **Annexure – B** of the Board's Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company.

4. Dividend & Transfers to Reserves

In view of the losses your directors have not recommended any dividend for the year under review. As a result, there is no appropriation of any amount to the reserves of the Company during the year under review.

During the period under review, no amount was required to be transferred to the Investor Education and Protection Fund.

5. Extension of time for holding of AGM

In order to present consolidated position of the company's financials post amalgamation of First Pass, GigaCom and MosChip, the Company had sought extension of time for holding the 20th Annual General meeting (AGM) and the Registrar of companies (ROC), Hyderabad have granted extension of time of 3 months to hold the said Annual General Meeting.

6. Share Capital

(a) Increase in Paid-up Share Capital

During the year under review, your Company issued and allotted Equity Shares as follows:

I. On 17.04.2018, 60,74,240 Equity Shares were allotted pursuant to conversion of Equal Number of warrants on preferential basis at a price of Rs. 21.80 .
ii. On 28.07.2018, 4,00,000 Equity Shares were allotted on preferential basis at a price of Rs. 45.
iii. On 18.10.2018, 67,00,000 Equity Shares were allotted (Swap Shares) on preferential basis at a price of Rs.33.36.
iv. On 26.10.2018, 2,76,500 Equity Shares were allotted at a price of Rs. 5.98, on exercise of ESOP scheme.
v. On 11.12.2018, 22,22,222 Equity Shares were allotted pursuant to conversion of Equal Number of warrants on preferential basis at a price of Rs. 45.

Consequent to the above, the subscribed and paid-up equity share capital of your Company as on March 31, 2019 stood at Rs.29,44,99,554 /- comprising of 14,72,49,777 Equity Shares of Rs. 02 /- each.

(b) Increase in Authorised Share Capital

In view of the scheme of arrangement/amalgamation of First Pass Semiconductors Private Limited and GigaCom Semiconductor Private Limited with MosChip, the authorized share capital of your company now comprises of Rs.56,54,10,000 (Rupees Fifty Six Crore Fifty Four Lakhs Ten Thousand Only) divided into 28,27,05,000 (Twenty Eight Crores Twenty Seven Lakhs and Five Thousand Only) equity shares of Rs.2/- (Two Only).

(c) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

(d) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

(e) Bonus Shares

The Company has not issued any bonus shares during the year under review.

(f) Dematerialization of Shares

98.05% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 1.95% is in physical form. The Company's Registrars are Karvy FinTech Pvt. Ltd., Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad, Telangana- 500 032.

7. Major events occurring after the balance sheet date

(a) Material changes and commitments if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report.

There have been no material changes and commitments, affecting the financial position of the Company which occurred during the period between the end of the financial year to which the financial statements relate and the date of this report excepting that the.

- The name of MosChip Technologies, USA the wholly owned subsidiary Company has changed from MosChip Semiconductor Technology, USA.
- Gigacom Semiconductor Inc, the wholly owned subsidiary Company has merged with MosChip Technologies, USA the wholly owned subsidiary Company.
- The Amalgamation of First Pass Semiconductors Private Limited ('FPS') and GigaCom Semiconductor Private Limited ('GigaCom') with MosChip Technologies Limited ('MosChip') has been approved by the Hon'ble NCLT, Amaravathi bench in its order dated 03rd December, 2019 and the Hon'ble NCLT, Hyderabad bench in its order dated 05th December, 2019. As per the NCLT order the appointed date for Scheme of Amalgamation is 01st April, 2018. Accordingly, the financials of FPS and GigaCom are included in financials of MosChip w.e.f 01st April, 2018.

(b) Change in the Nature of Business:

There is no change in the nature of business of the Company.

(C) Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

8. Directors and Key Managerial Personnel

(a) Inductions, Changes & Cessations in Directorships

Mr. Seetha Ramam Voleti (DIN: 07332440), resigned from the position of Non-Executive Director on 27.04.2018.The Board in its Meeting dated 27.04.2018, placed on record its appreciation for the Services, assistance and guidance provided by Mr. Seetha Ramam Voleti.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Singa Rao Gottipati (DIN: 07730448) as an Executive Director and Manager of the Company with effect from 27.04.2018. This appointment was approved by the shareholders through postal ballot results declared on 05th June, 2018. On 23rd July, 2018 Mr. Singa Rao Gottipati has resigned from the positions of Executive Director and Manager of your company. The Board placed on record its appreciation for the Services, assistance and guidance provided by Mr. Singa Rao Gottipati

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. K. Pradeep Chandra (DIN: 05345536) as an Additional Director in Independent Category with effect from 27.04.2018 and his appointment was regularized in 19th AGM held on 29.09.2018.

Mr. Damodar Rao Gummadapu (DIN: 07027779) resigned from the position of CEO of the Company on 27.04.2018 and the Board has appointed him as an Additional Director in Non-Executive Category with effect from 27.04.2018. His appointment was regularized in 19th AGM held on 29.09.2018.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. D. G. Prasad (DIN: 00160408) as an Additional Director in Independent Category with effect from 28.05.2018 and his appointment was regularized in 19th AGM held on 29.09.2018.

Mr. Raja Praturi (DIN: 01819707), resigned from the position of Independent Director on 13th August, 2018 and re-designated as Non-Executive Director of the Company and his appointment was regularized in 19th AGM held on 29.09.2018.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Venkata Sudhakar Simhadri (DIN: 01883241) as Managing Director of the Company with effect from 26.10.2018. This appointment was approved by the shareholders through postal ballot results declared on 17th January, 2019.

On recommendation of the Nominations and Remuneration Committee, the Board has appointed Ms. Madhurika Nalluri Venkat (DIN: 07147974) as Additional Directors in the Independent Category with effect from 13.08.2019.

Mr. Camillo Martino (DIN: 07785530), resigned from the position of Independent Director on 27.05.2019.The Board in its Meeting dated 27.05.2019 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Camillo Martino.

Ms. Poornima Shenoy (DIN: 02270175), resigned from the position of Independent Director on 22.05.2019.The Board in its Meeting dated 27.05.2019 placed on record its appreciation for the Services, assistance and guidance provided by Ms. Poornima Shenoy.

Approval of members by way of ordinary resolution is required for regularization of appointment of Mrs. Madhurika Nalluri Venkatat the ensuing Annual General Meeting scheduled to be held on 30 December, 2019.

Directors retire by rotation:

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company Mr. Raja Praturi, Non-Executive Director retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

(b) Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on 01.04.2018 were –

Mr. Damodar Rao Gummadapu – Chief Executive Officer.
Mr. Suresh Bachalakura – Company Secretary

Changes in the key managerial personnel during the year are as below:

On 27.04.2018, Mr. Damodar Rao Gummadapu resigned from the position of Chief Executive Officer. On recommendation of the Nominations and Remuneration Committee, the Board has appointed Mr. Venkata Sudhakar Simhadri as Chief Executive Officer of the Company w.e.f. 24.07.2018.On recommendation of the Nominations and Remuneration Committee, the Board has appointed Mr. Jayaram Susarla as Chief Financial Officer of the Company with effect from 28.05.2018.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2019 are:

Mr. Venkata Sudhakar Simhadri - Chief Executive Officer
Mr. Jayaram Susarla - Chief Financial Officer
Mr. Suresh Bachalakura - Company Secretary

(c) Independent Directors

It may be recalled that the Members

(i) At the Eighteenth Annual General Meeting held on 29.09.2017 re-appointed Mr. Prasad Gajjala and Ms. Poornima Shenoy as Independent Directors of the Company for a further period of 5 years. And Mr. Camillo Martino was appointed as an Independent Director of the Company to hold office for a period of 5 years.

(ii) At the Nineteenth Annual General Meeting held on 29.09.2018 appointed Mr. K. Pradeep Chandra and Mr. D. G. Prasad as Independent Directors for a period of 05 years.

As detailed earlier, Mrs. Madhurika Nalluri Venkat was appointed as an Additional Director in the category of Independent and possess appropriate balance of skills, expertise and knowledge and is qualified for appointment as Independent Director.

Independent Directors Declaration:

All Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and there has been no change in the circumstances which may affect their status as an independent director during the year.

(d) Familiarization programme for Independent Directors

At the time of appointment, the Company conducts familiarization programmes for an Independent Director through meetings with key officials of the Company. During these meetings, presentations are made on the roles and responsibilities, duties and obligations of the Director, Company's business, Company's strategy, financial reporting, governance and compliances and other related matters.

(e) Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

(f) Audit Committee

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

(g) Nomination and Remuneration Committee:

Details pertaining to composition of the Nomination and Remuneration Committee are included in the Report on Corporate Governance.

The Company's Nomination and Remuneration Policy was prepared in conformity with the requirements of the provisions of Section 178(3) of the Act.

The Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) for payment of remuneration to Directors and policy containing guiding principles for payment of remuneration to Senior Management, Key Managerial Personnel and other employees including Non-executive Directors has been uploaded on the website of the Company athttps://moschip.com/wp-content/uploads/2017/07/Nominatio-remuneration - Policy. pdf.

Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure – C** to this report.

(h) ESOP plans

During the year under report the company has Six schemes in operation as mentioned below, for granting stock options to the employees and directors of the company and its wholly owned subsidiary in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014.

(a) MosChip Stock Option Plan – 2005(MI)
(b) MosChip Stock Option Plan – 2005(WOS)
(c) MosChip Stock Option Plan – 2008
(d) MosChip Stock Option Plan – 2008(ALR)
(e) MosChip Stock Option Plan – 2008(Director)
(f) MosChip Stock Option Plan – 2018

The Company has closed the following three schemes during the year

(a) MosChip Stock Option Plan – 2001
(b) MosChip Stock Option Plan – 2002
(c) MosChip Stock Option Plan – 2004

The Company granted 42,98,000 Options during the financial year to certain eligible employees and Managing Director-cum-CEO of the Company, other than Independent Directors. Disclosures with respect to Stock Options, as required under Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are annexed herewith as **Annexure – D** to this report.

(i) Number of meetings of the Board

8 meetings of the Board were held during the year 2018-2019. Details of these meetings as well as the meetings of its Committees have been given in the Corporate Governance Report, which forms part of the Annual Report.

9. Corporate Social Responsibility (CSR) Initiatives:

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) Networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs.1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

10. Internal control systems and their adequacy:

The Company has adequate internal control system consistent with the nature of business and size of its operations, to effectively provide safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. The Company has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Company has an external audit firm to perform internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all key processes. Deviations, if any, are reviewed quarterly and due compliance is ensured. Summary of Significant Audit Observations along with recommendations and its implementation is reviewed by the Audit Committee and reported to the Board.

11. Vigil Mechanism / Whistle Blower Policy

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism / Whistle Blower Policy in line with listing regulations for directors and employees to report genuine concerns has been established. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company at https://moschip.com/investor-relations/policies-documents/WhistleBlowerPolicy-document.pdf

12. Public Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

13. Statutory Auditors and Auditors' Report

M/s. S. T. Mohite & Co., Chartered Accountants (Firm Registration No. 011410S) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 18th Annual General Meeting (AGM) held on September 29, 2017 until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2022.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 29, 2017.

The Notes on Financial Statements referred to in the Auditors Report are self-explanatory and do not call for any further comments.

The Report of the Statutory Auditors for the year ended 31stMarch, 2019 forming part of the Annual Report does not contain any qualification, reservation, observation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Further, in compliance with the RBI requirements the Company has obtained Statutory Auditors Report in relation to downstream investments.

14. Internal Audit:

As per the provisions of Section 138 of the Act and the rules made there under, the Board of Directors had appointed M/s Gokhale & Co, Chartered Accountants, Hyderabad (FRN No: 000942S), as Internal Auditor to conduct the internal audit of the Company for the Financial Year 2018-19.

Further, on the recommendation of audit committee, the Board of Directors of the Company has approved the re-appointment of aforesaid audit firm as internal auditors for the Financial Year 2019-20.

15. Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. BSS & Associates, Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report is annexed herewith as **Annexure – E.** The Secretarial Audit report does not contain any qualifications, reservation or adverse remark.

16. Cost Records and Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

17. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

Information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is included in **Annexure - F**.

18. Related Party Transactions:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseeable and repetitive nature. The particulars of contracts or arrangements with related parties referred to in section 188(1) and applicable rules of the Companies Act, 2013 in **Form AOC-2** is provided as **Annexure - G** to this Annual Report.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules thereunder and the Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at https://moschip.com/investor-relations/policies-documents/PolicyOnRelatedPartyTransactions-document.pdf

19. Extract of Annual Return:

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in **Form MGT-9** is provided as **Annexure - H** to this Annual Report.

20. Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees and Investments are provided as part of the financial statements.

21. Directors' Responsibility Statement

Pursuant to Section 134(5) the Companies Act, 2013 and based upon representations from the Management, the Board, to the best of its knowledge and belief, states 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 profit and loss of the Company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared annual accounts on a going concern basis; and

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) the directors had devised proper systems to ensure compliance by the Company with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the Audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-2019.

22. Corporate Governance and Shareholders Information

The Company is committed to good corporate governance in line with the provisions of SEBI (LODR) Regulations, 2015 and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with BSE. A certificate of compliance from Mr. Somepalli Srikanth, a Practicing Company Secretary and the report on Corporate Governance form part of this Directors' Report as **Annexure – I**.

23. Company's Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

Your Company is committed to provide work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity and will not tolerate any form of sexual harassment and to take all necessary steps to ensure that its employees are not subjected to any form of harassment.

Thus, in order to create a safe and conducive work environment the Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace(prevention, Prohibition, & Redressal) Act, 2013. Further, the Company has complied with provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of women at workplace (Prevention ,Prohibition, & Redressal) Act, 2013. The Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, trainees, temporary) are covered under this policy. The Company did not receive any complaint during the period under review.

24. Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a code of conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain, that is to say, insider information.

The code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the need and interest of all the Stakeholders.

Annexures forming part of this report

Annexures	Particulars
A	Management Discussion & Analysis
B	Form AOC – 1 (Report on Subsidiary companies)
C	Remuneration related disclosures per Section 197
D	Statement on outstanding ESOP Plans
E	Secretarial Audit Report
F	Energy Conservation Particulars
G	Form AOC – 2 (Related Party disclosures)
H	Form MGT – 9 (extract of Annual Return)
I	Report on Corporate Governance

Acknowledgment

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from bankers, business associates, lenders, financial institutions, shareholders, various departments of the Government of India, as well as the State Governments and all our other stakeholders.

The Directors acknowledge and would like to place on record the commitment and dedication on the part of the employees of your Company for their continued efforts in achieving good results.

For and on behalf of the Board of Directors

K. Pradeep Chandra
Chairman

Place: Hyderabad
Date: 05 December, 2019

'Annexure-A' to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

Company Overview:

MosChip is a Hyderabad-based Semiconductor Product Design Services and Internet of Things (IoT) Solutions company with 20+ years of track record in the business. Its unique combination of product development expertise and deep knowledge of competencies ranging from Chip Design to Systems Development makes MosChip as a perfect 'Chip to Cloud' company. MosChip closely works with Indian defense labs in offering some of the high-end product solutions and also associated with globally acclaimed chip design companies like Qualcomm, AMD etc. In addition MosChip has been providing both semiconductor and system level solutions to various Indian government organizations.

MosChip acquisition of Maven Systems Pvt. Ltd., in 2016 is fully integrated into MosChip and has been making steady progress in the areas of Smart Cities, Asset Tracking and Telematics and providing soluitons for Street lighting, Smart metering and Industrial IoT.

MosChip's acquisitions of Gigacom Semiconductor, First Pass Semiconductors and Institute of Silicon Systems have strengthened MosChip's expertise in the Semiconductor segment, further all this Company's bring skill sets and wide variety customer base.

Performance Review:

1) On consolidated basis, the income from operations grew to Rs. 7,475.87 lakhs from Rs.6,017.24 lakhs registering a growth of 24.24 % year on year. The increased growth during the current year is primarily from Semiconductor business due to acquisitions. The loss before Interest, Depreciation and Tax stood at Rs. (1,443.00) lakhs while that of previous year stood at Rs. (507.18) lakhs. The Consolidated results however showed a Net Loss for the year at Rs.2,887.60 lakhs as against a Net loss of Rs.1,263.50lakhs in the previous year. The increase in loss is due to new hires done at the leadership level, which will get rationalized over coming periods.

   The loss before Interest, Depreciation and Tax to income from operations ratio stood at (19.3%) for the current year as against (8.43%) in the previous year. The increase in loss before Interest, Depreciation and Tax is on account of following;

   a) Lower amounts spent on R & D as against previous year, this has led to lower capitalization of manpower cost worked on IP and new product developments in the current year.

   b) One time writeoff son account of receivables and others.

2) On a standalone basis, income from operations for the year stood at Rs. 5,869.07 lakhs as against Rs.4,555.86 lakhs for the preceding year. Standalone Net Loss for the FY 2018-19 was Rs.2,275.09 lakhs as against Net Loss of Rs.1,192.18lakhs for the FY 2017-18.

Semi-conductor Industry:

Semiconductors are extensively used in electronics devices, medical electronics and Military systems. Longer battery life, AI capabilities, biometrics, cloud computing, IoT will propel the future growth. Semiconductor industry will benefit from the ongoing innovation and development in connectivity, data centers, communications, automotive, safety & security, infotainment, navigation, home automation, wearable devices, etc. and will continue to see growth in the coming decade.

Semiconductor industry has been going thru rapid growth in 2019 with both the established companies and new start-ups making significant investments in the areas of Artificial Intelligence, 5G, IOT, Automobiles and data centers:

- AI – Artificial Intelligence based applications demand is increasing rapidly across various industries. AI will also benefit semiconductor manufacturing by speeding up the process, increasing chip performance, reducing production costs and increasing output.
- Transition to 7nm node and beyond – shift towards smaller nodes will bring competitive advantages of increased power and performance. This will ofcourse require significant cost and resource investments by the industry.
- Autonomous Vehicles – increased connectivity, better battery performance in Electric vehicles, enhanced sensors required for the rapidly growing automotive technologies will spur the semiconductor industry.
- 5G – deployment of 5G technology will increase demand for connectivity and connected devices and spur the semiconductor demand.
- AR/ VR – augmented reality/ virtual reality in industrial, gaming, healthcare verticals augur new opportunities.

- Reduction in US Corporate Tax – reduction from 35 to 21% has created a favorable business environment and increased spending in innovation and R&D.

Some additional highlights from the KPMG 2019 Global Semiconductor Industry Outlook:

- Semiconductor industry leaders expect that the U.S. and China will remain the top revenue-generating markets over the next three years.
- Smaller companies are becoming more and more important as the source of many 'promising developments' in the semiconductor industry with mainly IoT and AI as their focus.
- The top three ranked as top growth opportunity sector from the perspective of types of semiconductors is 1) sensors/MEMS, 2) analog/RF/mixed signals and 3) GPUs (think, for example VR and AR, both expected to drive revenue in 2019 according to 32% of respondents).
- The main issues facing the semiconductor industry are rising R&D costs (another reason, along with the above-mentioned innovation from small firms for more M&A activities)and cross-border regulation with both issues being connected.

IoT (Internet of Things) Industry

Mark Weiser, Chief Scientist at Xerox in 1991 gave the first definition of IoT, "world of ubiquitous computing in which all objects could sense, communicate, analyze and act with respect to other objects and people". Kevin Ashton then coined the word, IoT in 1999. IoT has now become mainstream across different segments and growing into newer applications.

IoT can be defined as technologies or/ and applications that equip sensors, devices to generate information; to connect to internet; to communicate to computing source for data analysis in real-time and enable smart action to be initiated. The number of IoT-connected devices in 2016 were estimated at 18 billion units and is expected at a CAGR of 15% to reach 31 billion units by 2020. IoT market value of US$ 0.4 trillion in 2015 is expected to grow at a CAGR of 20% to reach US$ 1.1 trillion by 2020.

IoT market can be generally divided into three broad categories: enterprise/industrial, consumer, and services/public sector. Each has its own distinct characteristics and market opportunities (table 1).

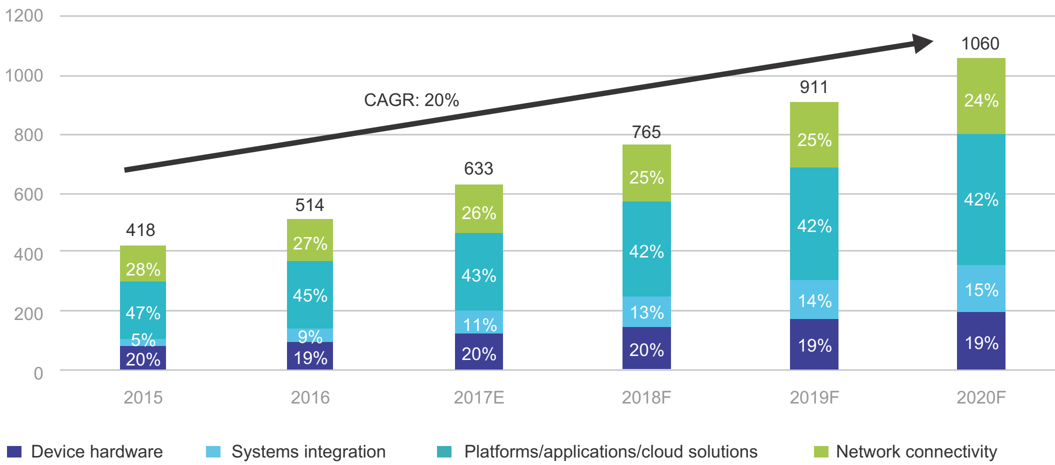
Table 1. IoT market structure

	Enterprise/industrial	Consumer	Services/public sector
Representative value opportunities	• Planning and inventory • Factory and operations • Supply network and logistics • New business models • New products and product development • Asset management	• Customer experience • Channel connectivity • Aftermarket support • New products and extensions • Lifestyle enhancement • Crop yield management	• Health care delivery • Commercial building Energy management • Public sector safety • Public sector traffic management
Representative use cases	• Demand and supply synchronization • Quality sensing and Prediction • Condition-based monitoring • Dynamic routing and scheduling	• Smart homes • Remote appliances • Connected cars • Personal lifestyle monitoring • Personal asset tracking	• Smart buildings • Smart cities • Smart irrigation • Patient surveillance • Smart law enforcement
Additional features	• Manufacturing operations and product driven • Private cloud primarily • Hybrid architecture • Fewer devices • Relatively complex data sets • B2B channels	• Customer and product driven • Public cloud primarily • Millions of devices • Simpler data sets • B2C channels	• Public sector, services driven • Public / private cloud mix • Variable data set complexity • Medium number of devices • B2B2B, B2B, B2C channels
Projected global IoT spending share by 2020	50-60%	20-25%	20-25%

Source: Deloitte analysis. Deloitte Insights | deloitte.com/insights

The enterprise/industrial segment involves complex data sets and fewer devices in manufacturing operations within a private cloud environment. The consumer segment involves many devices in a public cloud environment and is more focused on consumer experience. The services/public sector segment is a hybrid of the two.

Figure 2. Forecasted global IoT market spending ($ billion)



Source: Jenny Lai, Anderson Chow, Carrie Liu, and Chi Tsang, The industrial internet of Things, HSBC Global Reasearch, November 2016, p. 14.

Deloitte Insights I deloitte.com/insights

Major growth is expected to come from:

- Monitoring/ predictive maintenance – monitoring key capital assets and leveraging advanced analytics to predict failures and administer preventive maintenance activities
- Asset tracking – tracking movement and location of assets through sensors, real-time reporting and optimizing performance
- Dynamic routing and scheduling – optimizing schedules and enhancing productivity in real-time

Industry 4.0 revolution and the digital transformation will drive significant increase in IoT capabilities and implementation across various industry verticals like oil & gas; power & utilities; life sciences/ health care; transportation & logistics; manufacturing; etc. Moschip intends to ride this growth wave.

<u>Company centric Highlights and Key developments in Semiconductor Segment</u>

MosChip acquired four Semiconductor companies in 2018-19 with a view to expand its capabilities, increase the customer base and expand the global presense. The acquisitions added additional skillsets / expertise in the areas of Analog/ Mixed signal design, Physical design (RTL to GDS2) and VLSI training, Serdes, IP products. These new skillsets may leads to increased business & opportunities in the coming periods / years

These acquisitions benefitting MosChip with an IP focus and USA centric business relationships with top-tier companies; even while making it one of the few companies engaged in Semiconductor Design & Deliver with full-canvass capabilities including Fab relationships apart from adding 530 talented & experienced engineering resources to the talent pool.

MosChip also acquired Institute of Silicon Systems Pvt. Ltd. (ISS) a highly recognized player in the training space which trained more than 1250 engineering students in the area of semiconductor design and development over the past eight years. This acquisition, will enhance the talent pool of MosChip in training its manpower in the latest technological advancements in the field of semiconductors and also a continuous source of talent supply to meet the growing needs of the business.

<u>Company centric Highlights and Key developments in IoT Segment</u>

MosChip, with its objective to be a preferred product development partner and single point solution provider, continues its focus on the fastest growing IoT segment.

MosChip has undertaken concrete efforts to strengthen its technology expertise and broaden its solutions and product engineering services offerings.

With persistent efforts for technology upgradation, solution ruggedness, customer centric approach. MosChip has launched next generation of CCMS solution to deliver higher business value at affordable prices. It has ensured that we have a better field implementation and operation. This has helped to increase the shipment of CCMS devices by 3 times (20K devices). On account of government driven orders, there is un-predictability in the segment. It is being overcome with realignment with lighting OEM, system integrators and ESCO partners for direct ULB and enterprise customer requirements in Indian and overseas markets.

Inline with the global market trends and new requirements in the Indian market on connected lighting, MosChip has designed an advance lighting automation solution – (Greenlight). It supports individual lighting control with ON / OFF / Dimming, fault detection and edge analytics. It ensures higher visibility, flexibility and better energy savings for high wattage lights. The solution is being deployed on pilot levels as one of the first indigenous successful platform in India. MosChip is engaging with the stake holders and the platform is expected to be implemented on larger scale in coming months.

MosChip's indigenous asset monitoring platform – GeoHEMS for real time monitoring and control of moving and non-moving assets is being adopted by multiple global OEMs. It is a solution for performance, condition, anomaly detection, preventive / predictive maintenance and analysis. With larger adoptions in IoT segment security vulnerabilities are expected to grow and the solution is future proof with highest level of security of TLS 1.2 implementations. MosChip has won contracts from overseas Global OEMs and system integrators for design, production and supply of the solution and its variants.

With its expertise on leading edge IoT technologies, MosChip has undertaken product engineering services and successfully delivered solutions for safety wearables, connected safety sensors, automotive - telematics, Smart metering and Cloud based technologies.

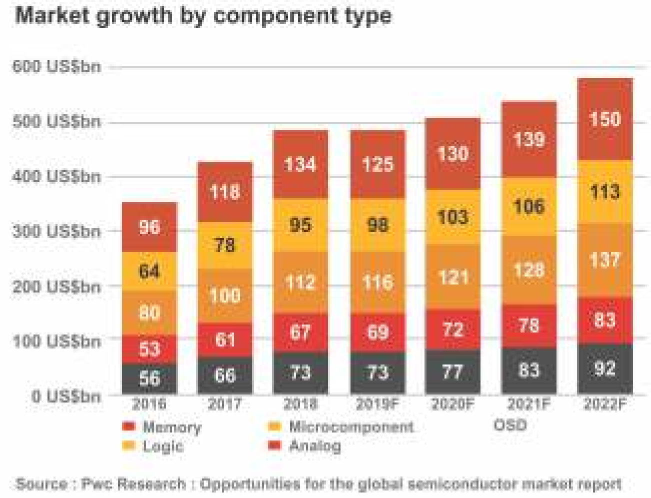
Risks and concerns

The following important factors could affect our future results of operations.

Semiconductor segment

- **Cyclical nature of Semiconductor Industry**

  After strong growth thru 2016-18 the industry has taken a dip in 2019. However, the semiconductor market is expected to recover in 2020 and continue to prosper. Semiconductor sales totaled US$481bn in 2018. Demand for chips related to the rapidly growing use of AI will contribute significantly to the industry's overall growth.



- **Semiconductor Services under pressure from Pricing and retention**

  There is pricing pressure in the value added services space within the Semiconductor Industry as many MNC's are looking at lowering their R&D budgets and have expanded their operations within India and other countries with cheaper manpower costs. With companies like Qualcomm, Intel and Micron setting up their own design centers and expanding rapidly, its putting pressure on both billing rates and retaining key talent.

- **Future success depends upon the continued services of key personnel, many of whom would be difficult to replace**

  The Company's future success depends upon the continued services of its executive officers, key hardware and software engineers, and sales, marketing and support personnel, many of whom would be difficult to replace. Because of the highly technical nature of its business, the loss of key engineering personnel could delay product introductions and significantly impair the Company's ability to successfully create future products.

- **Others may bring infringement actions against MosChip Group that could be time-consuming and expensive to defend.**

  The Group may become subject to claims involving patents and other property rights. Intellectual property claims would subject the Group to significant liability claims for damages and invalidate its proprietary rights. In addition, intellectual property claims may be brought against customers that incorporate its products in the design of their own products. These claims, regardless of their success or merit and regardless of whether the Group is named as a defendant in a lawsuit, would likely be time consuming and expensive to resolve and would divert the time and attention of the Management and technical personnel.

- **The Company's operating and consolidated results may be adversely affected by variations of the Indian rupee against foreign currencies and the US dollar**

  The Company has international exposure and is subject to currency fluctuations. The Company also consolidates its results with wholly owned subsidiaries in USA. Any adverse fluctuations in the currencies in which the Company's exports/imports or any adverse fluctuations against the US dollar would affect the Company's results of operations and the consolidated financial position.

<u>**IoT Business segment**</u>

- **Working capital requirement**

  Supply of CCMS (Centrally Controlled Monitoring Systems) to the government directly by participating in the open bids or indirectly supplies through contracts awarded by EESL to others Long gestation in installation of the projects and require long outlays towards working capital given the process of awarding of contract, site preparation, inspections and follow-up for payments. The ability of the Company to raise the funds at optimum rates, would impact the profitability.

- **Delay in deployment**

  Even though MosChip's GeoHems products have made significant progress during 2019, the deployment and scaling of the business may put pressure on working capital and further R&D.

- **Government policies**

  The priorities of the elected State and Central government(s) will decide the policy framework in relation to taking up of these projects which will directly impact your company's fortunes by way of lower demand for the products. Any change in the duty structure for import of electronic components, subsequent to finalization of price bids, would impact the profitability.

- **Supply Chain dependencies**

  Your company depends on assured & quality supplies of various electronic components forming part of its products. Any disturbance in the supply chain process could impact the operations of the company.

<u>**Internal control systems and its adequacy**</u>

The Company has adequate internal control system consistent with the nature of business and size of its operations, to effectively provide safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. The Company has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Company has an external audit firm to perform internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all key processes. Deviations, if any, are reviewed quarterly and due compliance is ensured. Summary of Significant Audit Observations along with recommendations and its implementation is reviewed by the Audit Committee and reported to the Board.

For and on behalf of the Board of Directors

K. Pradeep Chandra

Place: Hyderabad **Chairman**

Date: 5th December, 2019

SAFE HARBOR: Certain statements in this MD&A may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary entities, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

The risks and uncertainties including but not limited to, those risks and uncertainties, viz, our ability to compete in highly competitive semiconductor industry, ability to define, develop and sell new products, dependency on subcontractors for the supply and quality ofraw material, dependency on markets considering the cyclical nature of the industry and our ability to attract and retain technical manpower. MosChip may from time to time make additional forward looking statements in any manner and does not undertake to update any of these forward looking statements that may be made from time to time by or on behalf of the company.

Note: references to corporate, product or other names may be trademarks or registered trademarks of their respective owners.

Annexure 'B' to the Directors' Report

Form AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures

Part "A": Subsidiaries

(In Rupees)

		Name of the Subsidiary			
		MosChip Technologies, USA	**Maven Systems Pvt Ltd**	**MosChip Institute of Silicon Systems Pvt Ltd***	**GigaCom Semiconductor, LLC****
01	Reporting period	31 March 2019	31 March 2019	31 March 2019	31 March 2019
02	Exchange Rate	69.32	NA	NA	69.32
03	Equity Share Capital	211,010,080	100,000	100,000	65,574,294
04	Reserves & Surplus	(229,784,639)	(145,375,442)	4,972,709	(52,702,471)
05	Total Assets	180,054,610	159,961,168	9,853,423	71,087,937
06	Total Liabilities	198,829,169	305,236,610	4,780,714	58,216,114
07	Turnover (Total Revenue)	91,597,035	76,609,209	19,324,873	178,168,274
08	Profit / (Loss) Before Taxation	(19,909,328)	(51,034,178)	2,400,435	13,861,851
09	Provision for Taxation	(55,456)	969,017	703,922	8,413,992
10	Profit / (Loss) After Taxation	(19,964,784)	(52,003,195)	1,696,513	5,447,859
11	Proposed Dividend	-	-	-	-
12	% of Shareholding	100%	100%	100%	100%

** MosChip has acquired 100 % shareholding of MosChip Institute of Silicon Systems Private Limited as on 14th September, 2018.*

*** MosChip has acquired 100 % shareholding of GigaCom Semiconductor, LLC as on 17th October, 2018*

Names of Subsidiaries which are yet to commence operations: Nil.

Names of Subsidiaries which have been liquidated or sold during the Year: Nil.

Part "B": Associates and Joint Ventures

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

There are no associate companies and joint ventures during the current financial year.

Names of Associates, which are yet to commence operations: NIL

Names of Associates or joint ventures, which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

K. Pradeep Chandra
Chairman

Place: Hyderabad
Date: 05th December, 2019.

Annexure 'C' to the Directors' Report

Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 are as under:

S.No	Name	Designation	Ration of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY year 2018-19
1	Mr. Venkata Sudhakar Simhadri [1]	Managing Director & CEO	18.35	NA
2.	Mr. Singa Rao Gottipati [2]	Executive Director	4.82	NA
3.	Mr. K. Ramachandra Reddy [3]	Non-Executive Director	NA	NA
4	Mr. Prasad Gajjala	Independent Director	NA	NA
5	Mr. D. G. Prasad	Independent Director	NA	NA
6	Mr. Raja Praturi	Non-Executive Director	NA	NA
7.	Ms. Poornima Shenoy	Independent Director	NA	NA
8.	Mr. Damodar Rao Gummadapu	Non-Executive Director	NA	NA
9.	Mr. Seetha Ramam Voleti [4]	Non-Executive Director	NA	NA
10.	Mr. Camillo Martino	Independent Director	NA	NA
11	Mr. Jayaram Susarla [5]	Chief Financial Officer	6.65	NA
12	Mr. Suresh Bachalakura	Company Secretary	2.85	6%

a) The remuneration of Directors does not include Sitting Fee, Gratuity and retirement benefits.

b) Independent Directors are paid only sitting fee which is not included in Remuneration.

1. *Mr. Venkata Sudhakar Simhadri was appointed as CEO w.e.f. 24th July, 2018 and appointed as Managing Director w.e.f. 26th October, 2018. His remuneration includes both CEO and MD remuneration.*
2. *Mr. Singa Rao Gottipati was appointed as an Executive Director and Manager w.e.f. 27th April, 2018 and was resigned as an Executive Director and Manager w.e.f 23rd July, 2018.*
3. *Mr. K. Ramachandra Reddy resigned as whole time Director w.e.f. 06th April, 2017 and continuing as Non-Executive Director.*
4. *Mr. Seetha Ramam Voleti was resigned as Whole time Director & CFO w.e.f. 24th January, 2018 and continued as Non-Executive Director until resigned on 27th April, 2018.*
5. *Mr. Jayaram Susarla was appointed as Chief Financial Officer w.e.f. 27th May, 2018.*

(II) The percentage increase in the median remuneration of the employees of the Company for the Financial Year 2018-19 & The number of permanent employees on the rolls of the Company:

The Median Remuneration of the Employees was Rs. 540,000 and Rs. 790,060 in the Financial Year 2018-19 & 2017-18 respectively. Employee head count increased to 508 from 179 as on 31 March 2019 & 31 March 2018. This increase in number of employees has caused for decrease in Median Remuneration, employee head count increased due to merger of First Pass and GigaCom with MosChip.

(III) The explanation on the relationship between average increase in remuneration and company performance:

Standalone income from operations for the year ended 31st March, 2019 is Rs. 5869.07 Lakhs as against Rs. 4555.86 lakhs as on 31st March, 2018. Increase in income from operations by 28.82 % amounting to Rs.1313.21 lakhs. The increased growth during the current year is primarily from semiconductor business due to acquisitions.

On an average, employees received an annual increment of 14%, the increment to each individual employee is based on the Employee's potential, experience and also their performance and contribution to the Company's progress over a period of time. The remuneration / increments are paid as per the Remuneration Policy of the Company.

(IV) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2018-19 with the percentage increase in the managerial remuneration:

The average increase in the remuneration of employees excluding KMPs during FY 2018-19 was 14% and the average increase in the remuneration of Key Managerial Personnel was 6%. The increase in Remuneration of KMP only include salary of Company Secretary.

(V) The key parameters for the variable component of remuneration availed by the directors:

Based on the recommendations of the Nomination and Remuneration Committee and as per the Remuneration Policy of the Company.

(VI) Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration of Directors was as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

K. Pradeep Chandra
Chairman

Place: Hyderabad

Date: 05 December, 2019.

Annexure 'D' to the Directors report

Details of Stock options pursuant to SEBI Regulations

a) The Company has six schemes under Employee Stock Option Plans in operation during the year. They are, (i) MosChip Stock Option Plan 2005 (MI), (ii) MosChip Stock Option Plan 2005 (WOS), (iii) MosChip Stock Option Plan 2008, (iv) MosChip Stock Option Plan 2008(ALR), (v) MosChip Stock Option Plan 2008(Director) and (vi) MosChip Stock Option Plan, 2018 with500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares and 10,000,000 equity shares respectively.

b) During the financial year 2018-2019, the Company has closed the following three schemes.

(i) MosChip Stock Option Plan – 2001

(ii) MosChip Stock Option Plan – 2002

(iii) MosChip Stock Option Plan – 2004

c) Each option granted to eligible employees shall entitle such employees to one equity share of the nominal value of Rs.2 /- each at a price to be determined by the Board of Directors or Nomination & Remuneration Committee or the market price. However, subject to the regulations or guidelines of the SEBI in regard to the pricing of the Options, as applicable from time to time. The equity shares issued upon exercise of the Options shall rank pari passu in all respects with the existing equity shares.

d) Each option shall be vested after a minimum period of 12 months from the date of grant of the Option or at such times as may be determined by the Board or Nomination & Remuneration Committee from time to time.

e) The Options shall be valid and exercisable for such periods as may be determined by the Board or Nomination & Remuneration Committee, from time to time. Options not exercised within the specified period will lapse. All options that are lapsed will be added back to the pool and are eligible for future grants to the employees.

f) Out of above plans the Company has granted options during the year ended 31 March 2019 in MosChip Stock Option Plan 2005 (MI) and MosChip Stock Option Plan 2005 (WOS), MosChip Stock Option Plan 2008, MosChip Stock Option Plan 2008 (ALR), MosChip Stock Option Plan 2008 (Director).

For Year Ended 31 March 2019					
Particulars	**MosChip Stock Option Plan Plan 2008**	**Moschip Stock Option Plan 2005 (MI)**	**Moschip Stock Option Plan 2005 (WOS)**	**Moschip Stock Option Plan 2008 (ALR)**	**Moschip Stock Option Plan 2008 (Director)**
Options outstanding at the beginning of the year	6,98,000	-	-	-	-
Granted during the year	14,75,000	4,00,000	3,13,000	10,11,000	10,00,000
Forfeited during the year	1,47,500	-	5,000	1,25,000	-
Exercised during the year	2,76,500	-	-	-	-
Vested and not exercisable	-	-	-	-	-
Options outstanding at the end of the year	17,49,000	4,00,000	3,08,000	8,86,000	10,00,000

g) The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2019 was INR 22.49 (31 March 2018 – INR 2.84).

h) Share options outstanding at the end of the year have the following expiry date and exercise prices.

	31-Mar-19		31-Mar-18
Grant date	26-Oct-18	2-Aug-15	12-Aug-15
Expiry date	25-Oct-22	11-Aug-22	11-Aug-22
Excise price	₹18.00	₹ 5.98	₹ 5.98
Share options	41,99,000	4,21,500	6,98,000

i) The fair value at grant date of options granted during the year ended 31 March 2019 was INR 7.01 per option for one year, INR 9.62 per option for two years, INR 11.96 per option for three years and INR 13.34 for four year schemes (31 March 2018 was INR 3.09 per option for three year). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

j)

The model inputs for options granted during the year ended 31 March 2019 included:	31-Mar-19		31-Mar-18
Grant Date	26-Oct-18	12-Aug-15	12-Aug-15
Expiry Date	25-Oct-22	11-Aug-22	11-Aug-22
Excise Price	₹ 18.00	₹ 5.98	₹ 5.98
Share Price at Grant date	₹ 22.00	₹ 5.98	₹5.98
Expected price volatility of the company’s shares	44.23%	71.60%	71.60%
Expected dividend yield	-	-	-
Risk free interest rate	8.14%	6.60%	6.60%

* The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

k) Employee wise details of options granted to

(a) Senior Managerial Personnel and KMP:

Mr. Venkata Sudhakar Simhadri - 10,00,000 stock options.
Mr. Suresh Bachalakura - 17,000 stock options

(b) Employees who received grant in any one year of options amounting to 5% or more of options granted during the year;

Mr. Venkata Sudhakar Simhadri Managing Director & CEO of the Company granted 10,00,000 stock options.

(c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant; Nil

For and on behalf of the Board of Directors

K. Pradeep Chandra
Chairman

Place: Hyderabad
Date: 05 December, 2019

Annexure 'E' to the Directors' Report

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended March 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MosChip Technologies Limited,
(CIN: L31909TG1999PLC032184)
Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza,
Road No. 2, Banjara Hills, Hyderabad,
Telangana – 500 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. MosChip Technologies Limited(formerly known as 'MosChip Semiconductor Technology Limited') (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 and amendments from time to time;
    d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
    f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
6) Other laws applicable specifically to the Company namely:
    a. Information Technology Act, 2000 and the rules made thereunder
    b. Special Economic Zones Act, 2005 and the rules made thereunder
    c. Software Technology Parks of India rules and regulations
    d. The Indian Copy Right Act, 1957

e. The Patents Act, 1970
f. The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India.
ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Company Secretary / Chief Financial Officer / Chief Executive Officer taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board meetings and agenda with detailed notes there on were sent to all the directors at least Seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

We further report that, based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has allotted
   ii. 82,96,462 Equity Shares pursuant to conversion of Warrants.
   iii. 4,00,000 Equity Shares on preferential basis
   iv. 6,700,000 Equity Shares on Swap of Shares to the Unit holders of GigaCom Semiconductor LLC on its acquisition.
   v. 2,76,500 Equity Shares pursuant to exercise of the Option granted to the employees.
2. The Company had filed a Scheme of Amalgamation between First Pass Semiconductors Private Limited, GigaCom Semiconductors Private Limited and MosChip Technologies Limited with regulatory authorities, pursuant to the resolution passed by the Board of Directors at their meeting held on July 23, 2018. The approvals of the Regulatory authorities have been received.

for B S S & Associates
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119A000368630

Place : Hyderabad
Date : 05 December, 2019

This Report is to be read with our letter of even date which is annexed to the report and forms an integral part of this report.

To,
The Members,
MosChip Technologies Limited,
(CIN: L31909TG1999PLC032184)
Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza,
Road No. 2, Banjara Hills, Hyderabad,
Telangana – 500 034.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for B S S & Associates
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119A000368630

Place : Hyderabad
Date : 05 December, 2019

Annexure 'F' to the Directors' Report

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided here under

1. **Conservation of Energy**

   i. Steps taken or impact on conservation of energy

      The Company's operations require low energy consumption. The Company continues to work on reducing carbon footprint in all its areas of operations by institutionalizing following measures across all our facilities:

      a. Optimal cooling of work areas and data centers

      b. Switching off computers when not in use

      c. Utilization of lights and stand-alone air conditioners only when required

      d. Minimal usage of AC s and lights during weekend.

      e. Using LED lights at all work stations.

   ii. Steps taken by the company for utilizing alternate sources of energy

      At present, Company has not utilized any alternate source of energy and emphasize on the Conservation of energy and be frugal in utilizing the energy.

   iii. Capital investment on energy conservation equipments

      The Company has not made any capital investment on energy conservation equipments

2. **Technology Absorption**

Efforts made towards technology absorption

Company has made continues effort to develop technology for the better out puts and reduction of cost. With the change of time it is essential to be updated with the latest equipments and technology to serve our client better. Company consistently strives to absorb latest technology suitable to industry size and clients need.

Information regarding imported technology (Imported during last three years)

Details of technology imported	Year of import	Status Implemented / absorbed
NIL	NA	NA

Research & Development (R&D)

Specific areas in which R&D work has been done by the Company

The Company has been focusing on growing the services, IP and product business, accordingly, the Company has put efforts on Advance lighting automation solution, Indigenous asset monitoring platform, Serdes and other IP products.

Future plan of action

The Company has built up a vast repertoire of expertise and domain knowledge. We are planning to leverage this in partnering with large companies for joint development activities and grow the services business as an another revenue vertical.

Expenditure on R&D

The Company has been constantly incurring efforts on R&D and accordingly costs are capitalized if it meets the criteria as per applicable accounting standards.

3. Foreign Exchange Earnings and Outgo

(a) Activities relating to exports; initiative taken to increase exports; development of new export markets for products and services; and export plans;

The Company has been working with multiple customers across geographies, revenues are primarily on account of providing services related to semiconductor and IoT businesses.

(b) Foreign exchange earnings and outgo

(Value in Rs.)

	Year ended March 31, 2019	Year ended March 31, 2018
Foreign Exchange earnings	96,407,025	40,740,491
Foreign Exchange outgo	10,249,510	2,11,51,157

For and on behalf of the Board of Directors

K. Pradeep Chandra
Chairman

Place: Hyderabad
Date: 05 December, 2019.

Annexure 'G' to the Directors' Report

FORM AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

MosChip Technology Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

2. Details of material contracts or arrangements or transactions at arm's length basis:

There were no material contracts or arrangements or transactions with related parties during the financial year 2018-19

For and on behalf of the Board of Directors

K. Pradeep Chandra
Chairman

Place: Hyderabad
Date: 05 December, 2019

Annexure 'H' to the Directors Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(I)	CIN	L31909TG1999PLC032184
(II)	Registration Date	27-07-1999
(III)	Name of the Company	MOSCHIP TECHNOLOGIES LIMITED (formerly MosChip Semiconductor Technology Limited)
(IV)	Category/Sub-Category of the Company	Company Limited by shares and Indian Non-Government Company
(V)	Address of the Registered office and contact details	Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road No.02, Banjara Hills, Hyderabad, Telangana – 500 034. Tel: 040 6622 9292, Fax: 040-6622 9393 Email: Investorrelations@moschip.com
(VI)	Whether listed company	Yes
(VII)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy FinTech Pvt. Ltd. Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, Telangana.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main Products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Software development and designing	62011	78 %
2.	Manufacture of electrical equipment	27104	22 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address Of The Company	CIN/GLN	Holding / Subsidiary /Associate	% of shares held	Applicable Section
1.	Oshin Global Pte Limited	Not Applicable	Holding	55.37 %	Sec 2(87)
2.	MosChip Semiconductor Technology, USA	Not Applicable	Subsidiary	100	Sec 2(87)
3.	Maven Systems Pvt Ltd	U72900PN2009PTC134858	Subsidiary	100	Sec 2(87)
4.	GigaCom Semiconductor, LLC[1]	Not Applicable	Subsidiary	100	Sec 2(87)
5.	MosChip Institute of Silicon Systems Private Limited[2]	U72900TG2011PTC072006	Subsidiary	100	Sec 2(87)
4.	MosChip Global Pte Limited[3]	Not Applicable	Subsidiary	100	Sec 2(87)

1. *MosChip has acquired 100% shareholding of GigaCom Semiconductor, LLC as on 17th October 2018.*
2. *MosChip has acquired 100% shareholding of MosChip Institute of Silicon Systems Private Limited as on 14th September 2018.*
3. *The Board of Directors in their Board meeting held on 27th April 2018 has decided to dissolve MosChip Global Pte Ltd, the Singapore subsidiary of MosChip.*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter									
1)Indian									
a)Individual/ HUF	4697197	0	4697197	3.57	4901197	0	4901197	3.33	(0.24)
b)Central Govt	-	-	-	-	-	-	-	-	-
c)State Govt(s)	-	-	-	-	-	-	-	-	-
d)Bodies Corp	-	-	-	-	-	-	-	-	-
e)Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	4697197	0	4697197	3.57	4901197	0	4901197	3.33	(0.24)
2)Foreign									
g)NRIs-Individuals	2895801	0	2895801	2.2	2895801	0	2895801	1.97	(0.23)
h)Other-Individuals	0	0	0	0	0	0	0	0	-
i)Bodies Corp.	75457499	0	75457499	57.35	81727739	0	81727739	55.5	(1.85)
j)Banks / FI	0	0	0	0	0	0	0	0	-
k) Any Other….	0	0	0	0	0	0	0	0	-
Sub-total(A)(2):-	78353300	0	78353300	59.55	84623540	0	84623540	57.47	(2.08)
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**83050497**	**0**	**83050497**	63.12	**89524737**	**0**	**89524737**	60.80	**(2.32)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Banks / FI	150	0	150	0.00	150	0	150	0.00	-
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
I) Others(specify)									
a) Foreign Corporate Bodies	566927	2154546	2721473	2.07	2784149	2329092	5113241	3.47	1.40
b) Foreign Nationals	851983	60,150	912133	0.69	820604	416128	1236732	0.84	0.15

Sub-total (B)(1)	**1419060**	**2214696**	**3633756**	**2.76**	**3604903**	**2745220**	**3604903**	**4.31**	**1.55**
2. Non Institutions									
a)Bodies Corp.									
(I) Indian	5781058	300	5781358	4.39	5104513	300	5104813	3.47	(0.93)
b)Individuals									
(I) Individual shareholders holding nominal share capital up to Rs. 2 lakh	23700127	192436	23892563	18.16	24844984	85443	24930427	16.93	(1.23)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	13096462	802404	13898866	10.56	20149382	0	20149382	13.68	3.12
c)Others(Specify)									
I) Non Resident Indians	982081	0	982081	0.75	938394	0	938394	0.64	(0.11)
ii)Clearing Members	58224	0	58224	0.04	13431	0	13431	0.01	(0.03)
Sub-total(B)(2)	**43897422**	**995140**	**44892562**	**33.91**	**50995973**	**85743**	**51095147**	**34.73**	**0.82**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**45316482**	**3209836**	**48526318**	**36.67**	**54600876**	**2830963**	**57445270**	**39.04**	**2.37**
C. Non-promoter - Non-public shareholding. Employee benefit trust	279470	0	279470	0.21	238470	0	238470	0.16	(0.05)
Grand Total (A+B+C)	**128366979**	**3209836**	**131576815**	**100**	**144418814**	**2830963**	**147249777**	**100**	**0**

*During the Financial year the Paid up capital of the Company increased from 131,576,815 to 147,249,777, hence % change during the year cannot be comparable.

B) Shareholdingof Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total Shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	% change in Shareholding during the year
1	OSHIN GLOBAL PTE LTD	75457499	57.35	0	81531739	55.37	0	(1.98)
2	K RAMACHANDRAREDDY	3943037	3.00	0	3943037	2.68	0	(0.32)
3.	DAMODAR RAO G	0	0	0	204000	0.14	0	0.14
4.	EIJI HOLDINGS PTE LTD	0	0	0	196000	0.13	0	0.13
5	ART KHACHATURIAN	1739497	1.32	0	1739497	1.18	0	(0.14)
6	JOSEPH K WAI	708632	0.54	0	708632	0.48	0	(0.06)
7	EDDIE SIN PO CHIU	1000	0.00	0	1000	0.00	0	0.00
8	C. DAYAKAR REDDY	219761	0.17	0	219761	0.15	0	(0.02)
9	SUREKHA REDDY	530001	0.40	0	530001	0.36	0	(0.04)
10	K PRATIBHA REDDY	398	0.00	0	398	0.00	0	0.00
11	GARY KENNEDY	262978	0.20	0	262978	0.18	0	(0.02)
12	VINAY D KUMAR	105623	0.08	0	105623	0.07	0	(0.01)
13	STEVE SHU FUN KAM	44400	0.03	0	44400	0.03	0	0.00
14	SEAN PAUL CARNEY	33671	0.03	0	33671	0.02	0	0.00
15	CHANDRAM RAMA REDDY	4000	0.00	0	4000	0.00	0	0.00
	TOTAL	**83050497**	**63.12**	**0**	**89524737**	**60.80**	**0**	**(2.32)**

*During the Financial year the Paid up capital of the Company increased from 131,576,815 to 147,249,777 hence % change during the year cannot be comparable.

C) Share Holding of Directors & Key Managerial Personnel:

Sr. No	Shareholding of Directors & KMP	Shareholding at the end of the year		increase / (decrease) in shareholding during the year			Cumulative shareholding during the year	
		No. of shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	Reason	No. of Shares	% of Total Shares of the company
Directors:								
1.	Mr. K. Ramachandra Reddy	39,43,037	2.99	0	0	-	39,43,037	2.68
2.	Mr. Venkata Sudhakar Simhadri	0	0	45,16,634	3.07	Preferential issue	45,16,634	3.07
3.	Mr. K. Pradeep Chandra	0	0.00	0	0	-	0	0.00
4.	Mr. Prasad Gajjala	2,750	0.00	0	0	-	2,750	0.00
5.	Mr. D. G. Prasad	0	0.00	0	0	-	0	0.00
6.	Mr. Camillo Martino	0	0.00	0	0	-	0	0.00
7.	Mr. Raja Praturi	0	0.00	0	0	-	0	0.00
8.	Mrs. Poornima Shenoy	0	0.00	0	0	-	0	0.00
9.	Mr. Damodar Rao G	0	0	2,04,000	0.14	Preferential issue	2,04,000	0.14
Key Managerial Personnel								
10.	Mr. Venkata Sudhakar Simhadri (Chief Executive Officer)	0	0	45,16,634	3.07	Preferential issue	45,16,634	3.07
11.	Mr. Jayaram Susarla (Chief Financial Officer)	0	0.00	0	0	-	0	0.00
12.	Mr. Suresh Bachalakura (Company Secretary)	20345	0.01	10,000	0.00	ESOP	30,345	0.02

*During the Financial year the Paid up capital of the Company increased from 131,576,815 to 147,249,777 hence % increase / decrease during the year cannot be comparable.

D) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the company	No. of Shares	% of Total Shares of the company
1	OSHIN GLOBAL PTE LIMITED	7,54,57,499	57.35	8,15,31,739	55.37
	Increase/(Decrease) during the year			60,74,240	4.13
	At the End of the Year			8,15,31,739	55.37
2.	K RAMACHANDRA REDDY	39,43,037	2.99	39,43,037	2.68
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			39,43,037	2.68
3	ART KHACHATURIAN	17,39,497	1.32	17,39,497	1.18
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			17,39,497	1.18
4	JOSEPH K WAI	7,08,632	0.54	7,08,632	0.48
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			7,08,632	0.48
5	EDDIE SIN PO CHIU	1,000	0.00	1,000	0.00
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			1,000	0.00
6	C. DAYAKAR REDDY	2,19,761	0.17	2,19,761	0.15
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			2,19,761	0.15
7	C. SUREKHA REDDY	5,30,001	0.40	5,30,001	0.36
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			5,30,001	0.36
8	K PRATIBHA REDDY	398	0.00	398	0.00
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			398	0.00
9	GARY KENNEDY	2,62,978	0.21	2,62,978	0.18
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			2,62,978	0.18
10	DAMODAR RAO G	0	0.00	2,04,000	0.14
	Increase/(Decrease) during the year	0	0.00	2,04,000	0.14
	At the End of the Year			2,04,000	0.14
11	EIJI HOLDINGS PTE LTD	0	0.00	1,96,000	0.13
	Increase/(Decrease) during the year			1,96,000	0.13
	At the End of the Year			1,96,000	0.13

Sr. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the company	No. of Shares	% of Total Shares of the company
12	VINAY DANTAPALLY KUMAR	1,05,623	0.08	1,05,623	0.07
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			1,05,623	0.07
13	STEVE SHU FUN KAM	44,400	0.04	44,400	0.03
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			44,400	0.03
14	SEAN PAUL CARNEY	33,671	0.03	33,671	0.02
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			33,671	0.02
15	CHANDRAM RAMA REDDY	4,000	0.00	4,000	0.00
	Increase/(Decrease) during the year			Nil	Nil
	At the End of the Year			4,000	0.00

**During the Financial year the Paid up capital of the Company increased from 131,576,815 to 147,249,777, hence % change during the year cannot be comparable.

E) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year No of shares		Shareholding at the end of the year	
		No. of shares	% of total Shares of the company$	Brought During the Year	Sold during the Year	No. of shares	% of Total Shares of the company$
1	SOLWELL ADVISORY SERVICES LLP	28,30,077	2.15	-	-	28,30,077	1.92
2	ESS TECHNOLOGY INC	23,29,092	1.77	-	-	23,29,092	1.58
3	RANGANATH SHEKARAPPA KEMPANAHALLY	13,95,000	1.06	-	1,45,000	12,50,000	0.85
4	ALLURE INFRA LLP	10,14,600	0.77	-	-	10,14,600	0.69
5	DHANANJAY RAMCHANDRA KULKARNI@	6,66,700	0.51	-	6,66,700	-	-
6	JUHI VIJAY SHRIVASTAVA	6,24,500	0.47	-	-	6,24,500	0.42
7	POOJA NITIN NAIK @	6,14,900	0.47	-	6,14,900	-	-
8	KUSUM ASHOK TALKHANDE@	6,12,000	0.47	-	4,58,210	1,53,790	0.10
9	NIGHOT RAJSHREE SATISH@	6,11,150	0.46	-	4,74,019	1,37,131	0.09
10	ARTEC GROUP OU	5,66,927	0.43	-	-	5,66,927	0.39
11	CHAMUNDESWARA NATH VANKINA #	3,85,631	0.30	9,73,363	-	13,58,994	0.92
12	REEMA GUPTA #			7,20,040	-	7,20,040	0.49
13	SURESH GADLEY#			5,06,352	-	5,06,352	0.34
14	DEVINENI RAMANA#	5,00,000	0.38	-	-	5,00,000	0.34

1) The above information is based on the weekly beneficiary position received from Depositories. As it is not feasible to provide daily changes in shareholding, consolidated changes during the financial year 2018-19 has been provided.

@Not there in the list of top ten shareholders as on March 31, 2019. Same has been reflected above as the respective shareholder was one of the top ten shareholders as on April 1, 2018.

 # Not there in the list of top ten shareholders as on April 1, 2018. Same has been reflected above as the respective shareholder was one of the top ten shareholders as on March 31, 2019.

$ % of Total shares of the Company at the end of the year changed due to the No of shares of the Company has increased from 131,576,815 to 147,249,777during the year.

IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	549,510,423	-	549,510,423
ii) Interest due but not paid	-	19,403,611	-	19,403,611
iii) Interest accrued but not Due	-	-	-	-
Total (i + ii + iii)	**-**	**568,914,034**	**-**	**568,914,034**
Change in Indebtedness during the financial year				
- Addition	2,003,892	-	-	2,003,892
- Reduction	-	(118,075,278)	-	(118,075,278)
Net Change	**2,003,892**	**(118,075,278)**	**-**	**(116,071,386)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,003,892	422,602,284	-	424,606,176
ii) Interest due but not paid	-	28,236,472	-	28,236,472
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2,003,892**	**450,838,756**	**-**	**452,842,648**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
	Gross salary	Venkata Sudhakar Simhadri [1]	Singa Rao Gottipati [2]	
	(a) Salary as per provisions contained in section17of the Income Tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act,1961 (c) Profits in lieu of salary undersection17 of the Income Tax Act,1961	61,60,000	26,01,380	87,61,380
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission - as % of profit - Others, specify…	-	-	-
	Others, please specify	-	-	-
	Total(A)	61,60,000	26,01,380	87,61,380
	Ceiling as per the Act	1,68,00,000	1,68,00,000	3,36,00,00

1. Mr. Venkata Sudhakar Simhadri appointed as Managing Director w.e.f. 26th October, 2018.
2. Mr. Singa Rao Gottipati appointed as Executive Director and Manager w.e.f. 27th April, 2018 and resigned on 23rd July, 2018.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
	Independent Directors	**Mr. Prasad Gajjala**	**Mr. K. Pradeep Chandra[1]**	**Mr. Camillo Martino**	**Mrs. Poornima Shenoy**	**Mr. D. G. Prasad[2]**	
	•Fee for attending board &committee meetings •Commission •Others, please specify	4,85,000	3,45,000	30,000	1,70,000	3,60,000	13,90,000
	Total (1)	**4,85,000**	**3,45,000**	**30,000**	**1,70,000**	**3,60,000**	**13,90,000**
	Other Non-Executive Directors	**Mr. K. Ramachandra Reddy**	**Mr. Raja Praturi**	**Mr. Damodar Rao G [3]**	**Mr. Seetha Ramam Voleti[4]**		
	•Fee for attending board committee meetings •Commission •Others, please specify	1,95,000	2,85,000	Nil	Nil		4,80,000
	Total (2)	**1,95,000**	**2,85,000**	**0**	**0**		**4,80,000**
	Total(B)=(1+2)	**6,80,000**	**6,30,000**	**30,000**	**1,70,000**	**3,60,000**	**18,70,000**
	Total Managerial Remuneration						
	Overall Ceiling as per he Act	Not applicable as only sitting fee paid					

1. Mr. K. Pradeep Chandra appointed as Independent Director w.e.f. 27th April, 2018.
2. Mr. D. G. Prasad appointed as Independent Director w.e.f. 28th May, 2018.
3. Mr. Damodar Rao G, Non-Executive Director is not opted for sitting fee.
4. Mr. Seetha Ramam Voleti resigned as Non-executive Director w.e.f 27th April, 2018.

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Venkata Sudhakar Simhadri CEO[1]	Mr. Jayaram Susarla CFO[2]	Mr. Suresh Bachalakura Company Secretary	Total
01	Gross salary				
	(a) Salary as per provisions contained in section17(1)of the Income Tax Act,1961	37,49,213	35,94,445	13,75,000	87,18,658
	(b)Valueof perquisites u/s 17(2) of the Income Tax Act,1961	-			
	(c) Profits in lieu of salary undersection17(3) of the Income Tax Act,1961				
02	Stock Option	-		1,65,100	1,65,100
03	Sweat Equity	-			
04	Commission - as % of profit - others, specify…	-			
	Total	**37,49,213**	**35,94,445**	**15,40,100**	**88,83,758**

1. *Mr. Venkata Sudhakar Simhadri appointed as Chief Executive Officer w.e.f. 23rd July, 2018 and appointed as Managing Director w.e.f 26th October, 2018. The salary between 23-07-2018 to 25-10-2018 is shown as CEO remuneration.*
2. *Mr. Jayaram Susarla appointed a Chief Financial Officer w.e.f. 28th May, 2018.*

VI.PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure 'I' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

Corporate Governance in simple words means the way a corporation is governed. Corporate governance refers to mechanisms, processes and relations by which corporations are controlled and directed. Corporate Governance is a systematic process driven by the ethical conduct of the business and affairs of an organisation aimed at promoting sustainable business and enhancing shareholders value in long term. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices.

MosChip is committed to pursue the principles of good corporate governance to be a good corporate citizen of India and keep the shareholders abreast with the day-to-day affairs of the Company in the best possible manner.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation(2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate governance.

Board of Directors

An active, informed and independent Board is a pre-requisite for strong and effective corporate governance. The Board plays a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board ensures that the Company has clear goals aligned to the shareholders' value and growth. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The Board is duly supported by Executive team and the Senior Management Personnel in ensuring effective functioning of the Company.

Composition of the Board

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of technology, banking, Finance, general management and entrepreneurship. As on March 31, 2019, the Board comprises of 09 members comprising of a Non-Executive Independent Chairman, One Executive Director, Three Non-Executive Directors and Four Independent Directors.

None of the Directors on the Board hold directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.

In the opinion of the Board, all the Independent Directors fulfill the conditions as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder and are independent of the management.

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2019 are as under:

Name of the Director	Category	No. of outside Directorship(s) held Public*	No. of other Board Committees** (of Companies)		No. of Equity Shares held
			As a Member	As a Chairman / Chairperson	
Mr. Venkata Sudhakar Simhadri[1]	Executive Director	0	0	0	45,16,634
Mr. K. Ramachandra Reddy	Promoter Non-Executive Director	01	0	0	39,43,037
Mr. Prasad Gajjala	Independent Director	0	0	0	2,750
Ms. Poornima Shenoy[2]	Independent Director	01	0	0	-
Mr. Camillo Martino[3]	Independent Director	0	0	0	-
Mr. Raja Praturi	Non-Executive Director	0	0	0	-
Mr. K. Pradeep Chandra [4]	Independent Director	01	02	0	-
Mr. Damodar Rao Gummadapu[5]	Promoter Non-Executive Director	0	0	0	2,04,000
Mr. D G Prasad[6]	Independent Director	04	03	02	-

* *Directorships held by the Directors as mentioned above, exclude directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.*

** *In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.*

1. *Mr. Venkata Sudhakar Simhadri was appointed as Managing Director w.e.f. 26th October, 2018.*
2. *Ms. Poornima Shenoy, Independent Director resigned w.e.f. 22nd May, 2019.*
3. *Mr. Camillo Martino, Independent Director resigned w.e.f. 27th May, 2019.*
4. *Mr. K. Pradeep Chandra was appointed as an Independent Director w.e.f.27th April, 2018.*
5. *Mr. Damodar Rao Gummadapu was appointed as Non-Executive & Non-Independent Director w.e.f.27th April, 2018.*
6. *Mr. D. G. Prasad was appointed as an Independent Director w.e.f. 28th May, 2018.*
7. *Mr. Seetha Ramam Voleti was resigned as whole time Director w.e.f. 24th January, 2018.*
8. *Mr. Singa Rao Gottipati was appointed as an Executive Director w.e.f. 27th April, 2018 and was resigned as an Executive Director w.e.f 23rd July, 2018.*

Names of the listed entity(ies) where the Director of the Company is a director in those listed entity(ies) and the Category of directorship

Name of the Director	Directorship on other listed entities	Category of Directorship
Mr. Venkata Sudhakar Simhadri	Nil	Not Applicable
Mr. K. Ramachandra Reddy	Nile Limited	Independent Director
Mr. Prasad Gajjala	Nil	Not Applicable
Ms. Poornima Shenoy	Dixon Technologies (India) Limited	Independent Director
Mr. Camillo Martino	Nil	Not Applicable
Mr. Raja Praturi	Nil	Not Applicable
Mr. K.Pradeep Chandra	Orient Electric Limited	Independent Director
Mr. Damodar Rao Gummadapu	Nil	Not Applicable
Mr. D G Prasad	Gokak Textiles Limited Suven Life Sciences Limited Natco Pharma Limited	Independent Director Independent Director Independent Director

None of the Directors are related to each other.

The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened to address the specific needs of the Company. In case of urgent business exigencies some resolutions are also passed by circulation, as permitted by law, which is confirmed in the subsequent Board Meeting. Time gap between two consecutive meetings does not exceed 120 days. Video Conferencing / teleconferencing facilities are also made available to enable participation of Directors, in case they are unable to attend the meeting physically.

There is a structured manner in which the agenda items are prepared and presented. The Company Secretary in consultation with the Chairman and the Executive Directors prepares the detailed agenda for the meetings. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

The Senior Management Personnel are invited to the Board/ Committee Meetings to apprise and update the members on the items being discussed at the meeting. All the relevant information as enumerated in Part A of Schedule II of the Listing Regulations is placed before the Board and the Board in particular reviews and approves corporate strategies, business plan, annual budget, capital expenditure etc. The Board periodically reviews the compliance status of all the applicable laws and is regularly updated on various legal and regulatory developments involving the Company. Action Taken Report in respect of the decisions arising out of the previous meetings is placed at the succeeding meeting of the Board/Committee. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

The draft minutes of each Board/Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, received if any, from the Directors, records the minutes of each Board/Committee meeting within 30 days from conclusion of the meeting. During the Financial Year 2018-19, the Board met Eight times.

The details of attendance of Directors at the Board Meetings and at the Last Annual General Meeting are as under:

Name of the Director	Number of Board Meetings held during their tenure in the year 2018-19	Number of Board Meetings attended during the year 2018-19	Whether attended last AGM held on 29.09.2018
Mr. K. Ramachandra Reddy	08	07	Yes
Mr. K. Pradeep Chandra[1]	07	06	Yes
Mr. Venkata Sudhakar Simhadri[2]	02	02	Not applicable
Mr. D. G. Prasad[3]	07	07	Yes
Mr. Damodar Rao Gummadapu[4]	07	01	No
Mr. Prasad Gajjala	08	07	Yes
Ms. Poornima Shenoy	08	04	No
Mr. Camillo Martino	08	01	No
Mr. Raja Praturi	08	07	Yes
Mr. Singa Rao Gottipati[5]	03	03	Not applicable
Mr. Seetha Ramam Voleti[6]	01	00	Not applicable

1. *Mr. K. Pradeep Chandra was appointed as an Independent Director w.e.f.27th April, 2018.*
2. *Mr. Venkata Sudhakar Simhadri was appointed as Managing Director w.e.f. 26th October, 2018.*
3. *Mr. D. G. Prasad was appointed as an Independent Director w.e.f. 28th May, 2018.*
4. *Mr. Damodar Rao Gummadapu was appointed as Non-Executive & Non-Independent Director w.e.f.27th April, 2018.*
5. *Mr. Singa Rao Gottipati was appointed as an Executive Director w.e.f. 27th April, 2018 and was resigned as an Executive Director w.e.f 23rd July, 2018.*
6. *Mr. Seetha Ramam Voleti was resigned as Non-Executive Director w.e.f. 27th April, 2018.*

No. of Board Meetings held and dates on which they were held during 2018-19.

Quarter	No. of Meetings	Dates on which held
April - June	02	27th April, 2018, 28th May, 2018
July – September	03	23rd July, 2018, 13th August, 2018 and 03rd September, 2018.
October – December	02	26th October, 2018 and 10th December, 2018.
January – March	01	04th February, 2019.
Total	**08**	

Induction and Familiarization program for Board Members

A formal letter of appointment together with the Induction kit is provided to the Independent Directors, at the time of their appointment, setting out their role, functions, duties and responsibilities. The directors are familiarized with your Company's business and operations and interactions are held between the directors and senior management of your Company. Directors are familiarized with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. Apart from the above, periodic presentations are also made at the Board / Committee meetings to familiarize the Directors with the Company's strategy, business performance, business environment, regulatory framework, operations review, risk management and other related matters.

Meeting of Independent Directors

The Independent Directors met informally without the presence of Non-Independent Directors and the management, and discussed, inter-alia, on matters pertaining to evaluation of the performance of the Board as a whole, evaluation of the performance of the Chairman and Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors, which is necessary for the Board to effectively and reasonably perform their duties etc. The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board Meeting and are being implemented.

Performance Evaluation of Board

A formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees etc. The Directors expressed their satisfaction with the evaluation process.

Service Contracts, Notice Period, Severance Fee

Your Company does not enter into service contracts with the Executive Directors as they are appointed/re-appointed with the approval of the shareholders for the period permissible under the applicable provisions of the Act, and/or SEBI Listing Regulations. Independent directors have been issued an appointment letter which prescribes that any Independent Director may resign from his office subject to reasonable written notice to the Board. The Company does not pay any severance fees or any such payment to the Directors.

Code of Conduct

The Company has a Code of Conduct applicable to all Board Members and Senior Management for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff has declared their compliance with the Code of Conduct as at 31st March, 2019. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is available on the website of the Company.

Your Board had cautiously considered and identified an optimised mix of the skills, expertise, competencies essentially required by the Company in the context of its sector. The Board has identified the following attributes primarily and broadly which are fundamental for the effective functioning of the Company which are currently available with the Board:

(i) Understanding business dynamics, industry verticals and regulatory jurisdictions, (ii) Strategy Management, (iii) General Management of Corporate Affairs, Corporate Governance (iv) Law, Taxation & Finance and (v) Human Resource Management.

2. COMMITTEES OF THE BOARD

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees comprising of Independent Directors. Board Committee's ensures focused discussion and expedient resolution of diverse matters. The Board Committees include Audit Committee, Stakeholders' Relationship Committee, and Nomination & Remuneration Committee, all the Committees have formally established terms of references / Charter. The Minutes of the Committee Meetings are noted by the Board. The role and composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

1) Audit Committee

The Company has an Audit Committee at the Board level with power and role that are in accordance with the Listing Regulations and the Companies Act, 2013. The Audit Committee oversees the accounting, auditing and overall financial reporting process of the Company. The Audit Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee is constituted and governed n line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section177 of the Companies Act, 2013.

Powers of Audit Committee

The powers of Audit Committee include the following:

i. To investigate any activity within its terms of reference;
ii. To seek information from any employee;
iii. To obtain outside legal or other professional advice;
iv. To secure attendance of outsiders with relevant expertise, if it considers necessary;
v. To call for a separate meeting with statutory and internal auditors with or without the Management team;
vi. To call for a separate meeting with the MD/CEO and as appropriate, other members of the management team to get an independent feedback and also to give feedback received from the auditors;
vii. Appoint any external firm to conduct special reviews of the Company (financial or legal) subject to the approval of the Board;
viii. Perform other activities related to the Charter as requested by the Board of Directors; and
ix. Carry out additional functions as contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

Terms of reference

The terms of reference of the Audit Committee is in conformity with the provisions of Regulation 18 of the SEBI (LODR) Regulations 2015, which inter alia, includes the following:

- Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- Recommending appointment and removal of external auditors and fixing of their fees.
- Reviewing with management the annual financial statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.

Composition, name of members and Chairperson

The composition of the Audit Committee and the attendance of the members at the meetings held during the Financial Year 2018-19 are as under:

The Audit Committee comprises of the following directors

1. Mr. Prasad Gajjala -- Chairman
2. Mr. Seetha Ramam Voleti[1] -- Member
3. Mr. Camillo Martino[2] – Member
4. Mr. K. Pradeep Chandra[3] -- Member
5. Mr. Damodar Rao Gummadapu [3] -- Member
6. Mr. D. G. Prasad[4] -- Member

1. Mr. Seetha Ramam Voleti ceased to be a member of Audit Committee w.e.f. 27th April, 2018.

2. Mr. Camillo Martino ceased to be a member of Audit Committee w.e.f. 16th May, 2018.

3. Mr. Damodar Rao Gummadapu & Mr. K. Pradeep Chandra appointed as members of Audit Committee w.e.f 16th May, 2018.

4. Mr. D. G. Prasad appointed as member of Audit Committee w.e.f 28th May, 2018.

Meetings and attendance during the year 2018-19

Name of the Director	**Category**	**No of Meetings held during the Tenure**	**No of Meetings attended**
Mr. Prasad Gajjala	Independent Director	06	06
Mr. K. Pradeep Chandra	Independent Director	05	04
Mr. D. G. Prasad	Independent Director	05	05
Mr. Damodar Rao Gummadapu	Non-Executive Director	05	01
Mr. Camillo Martino	Independent Director	01	00
Mr. Seetha Ramam Voleti	Non-Executive Director	01	01

Six Meetings were held during the Financial Year 2018-2019 on (I) 27th April, 2018 (ii) 28th May, 2018, (iii) 23rd July, 2018(iv) 13th August, 2018(v) 26th October, 2018 (vi) 04th February, 2019.

The Company Secretary acts as a Secretary to the Committee.

The following were invited to Audit Committee Meetings:
a) the Statutory Auditors.
b) the Internal Auditors, as and when necessary.
c) Mr. Jayaram Susarla,Chief Financial Officer.

The Majority of the Audit Committee members are Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting ("AGM") held on September 29, 2018.

2. Nomination &Remuneration Committee

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as identifying persons who may be appointed at senior management levels and also devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees. The Committee also monitors and administers the Employee Stock Option Scheme(s).

Terms of reference

- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment/re-appointmentof Directors and Key Managerial Personnel.
- Oversee familiarization programmes for directors.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of employees

Composition, Meetings and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2019, Committee comprises of three Independent Directors. The Company Secretary acts as secretary to the Committee.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2018-19 are as under:

The Nomination &Remuneration Committee comprises of the following directors

1. Mr. Prasad Gajjala -- Chairman
2. Mr. Singa Rao Gottipati[1] -- Member
3. Ms. Poornima Shenoy -- Member
4. Mr. Camillo Martino[2] -- Member
5. Mr. Raja Praturi[3] -- Member
6. Mr. K. Pradeep Chandra[3] -- Member

1. Mr. Singa Rao Gottipati ceased to be member of Nomination & Remuneration Committee w.e.f. 27th April, 2018.
2. Mr. Camillo Martino ceased to be a member of Nomination & Remuneration Committee w.e.f. 16th May, 2018.
3. Mr. Raja Praturi & Mr. K. Pradeep Chandra were appointed as members of Nomination & Remuneration Committee w.e.f. 16th May, 2018.

Meetings and attendance during the year 2018-19

Name of the Director	Category	No of Meetings held during the Tenure	No of Meetings attended
Mr. Prasad Gajjala	Independent Director	05	05
Mr. Singa Rao Gottipati	Non-ExecutiveDirector	01	01
Ms. Poornima Shenoy	Independent Director	05	03
Mr. Camillo Martino	Independent Director	01	00
Mr. Raja Praturi	Non-Executive Director	04	03
Mr. K. Pradeep Chandra	Independent Director	04	03

During the Financial Year 2018-19, Five meetings of the Nomination and Remuneration Committee were held on (i) 27th April, 2018 (ii) 28th May, 2018 (iii) 23rd July, 2018 (iv) 13th August, 2018 and (v) 26th October, 2018. The Company Secretary acts as a Secretary to the Committee

The Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The Company's remuneration policy is directed towards rewarding performance based on periodic review of the achievements. The remuneration policy has been disclosed in the Annual Report.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

Remuneration of Directors:

(i) Remuneration to the Executive Directors

The remuneration package of the Executive Directors is determined by the Nomination and Remuneration Committee in accordance with the Remuneration policy of your Company. The recommendations of the Committee are considered and approved by the Board, subject to the approval of the members of the Company. The remuneration package of the Executive Directors and Whole Time Director comprises of a fixed & variable salary component.

(ii) Remuneration to Non-Executive/ Independent Directors

Besides, sitting fee for attending Board and Committee meetings, no special compensation to Non-Executive directors are envisaged during the year 2018-19.

Details of remuneration to all the directors

Sl. No.	Name	Designation	Salary In Rs.	Performance Incentives in Rs.	Commission in Rs.	Total in Rs.	Notice period severance Fee in Rs.*	Stock Option if any	Sitting Fee in Rs.
01	Mr. Venkata Sudhakar Simhadri[1]	Managing Director	61,60,000	Nil	Nil	61,60,000	NA	10,00,000 stock options	Nil
02	Mr. Singa Rao Gottipati[2]	Executive Director	26,01,380	Nil	Nil	26,01,380	NA	Nil	Nil
03	Mr. K. Ramachandra Reddy	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	1,95,000
04	Mr. K. Pradeep Chandra	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	3,45,000
05	Mr. Prasad Gajjala	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	4,85,000
06	Mr. D. G. Prasad	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	3,60,000
07	Mr. Raja Praturi	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	2,85,000
08	Ms. Poornima Shenoy	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	1,70,000
09	Mr. Damodar Rao Gummadapu[3]	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	Nil
10	Mr. Seetha Ramam Voleti[4]	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	Nil
11	Mr. Camillo Martino	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	30,000

1. *Mr. Venkata Sudhakar Simhadri was appointed as Managing Director w.e.f. 26th October, 2018.*
2. *Mr. Singa Rao Gottipati was appointed as an Executive Director w.e.f. 27th April, 2018 and was resigned as an Executive Director w.e.f 23rd July, 2018.*

3. *Mr. Damodar Rao Gummadapu opted not to receive any sitting fee for attending the Board / Committee Meetings*
4. *Mr. Seetha Ramam Voleti was resigned as whole time Director w.e.f. 24th January, 2018 and resigned as Non-Executive Director w.e.f. 27th April, 2018.*

3. Stakeholders Relationship Committee

Stakeholders' Relationship Committee ensures quick redressal of the complaints of the stakeholders and oversees the process of share transfer. The Committee also monitors redressal of Shareholders'/Investors' complaints/ grievances viz. non-receipt of annual report, dividend payment, issue of duplicate share certificates, transmission of shares and other related complaints. In addition, the Committee also monitors other issues including status of Dematerialization/ Rematerialisation of shares issued by the Company.

a) Composition, Meetings and Attendance

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

Mr. G. Prasad, Independent Director is heading the Stakeholders Relationship Committee.

During the Financial Year 2018-19, four meetings of the Stakeholders' Relationship Committee were held on (i) 28th May, 2018(ii) 13th August, 2018, (iii)26th October, 2018 and (iv) 04th February, 2019.

The Company Secretary acts as a Secretary to the Committee.

The composition of the Stakeholders' Relationship Committee and the attendance of the members at the meetings held during the Financial Year 2018-19 are as under:

The Stakeholders' Relationship Committee comprises of the following directors

Mr. Prasad Gajjala -- Chairman

Mr. Raja Praturi[1] -- Member

Ms. Poornima Shenoy -- Member

Mr. Singa Rao Gottipati [2] -- Member

1. *Mr. Raja Praturi appointed as member of Stakeholders Relationship Committee w.e.f. 13th August, 2018.*
2. *Mr. Singa Rao G appointed as a member of Stakeholders Relationship Committee w.e.f. 16th May, 2018 and ceased to be a member w.e.f. 23rd July, 2018.*

Meetings and attendance during the year 2018-19

Name of the Director	Category	No of Meetings held during 2018-2019	No of Meetings attended
Mr. Prasad Gajjala	Independent Director	04	04
Mr. Raja Praturi	Non-Executive Director	03	03
Ms. Poornima Shenoy	Independent Director	04	02
Mr. Singa Rao Gottipati	Executive Director	01	01

b) Name and Designation of Compliance Officer

Mr. Suresh Bachalakura, Company Secretary, acts as the Compliance Officer of the Company. The Compliance Officer briefs the Committee on the grievances/queries of the investors and the steps taken by the Company for redressing their grievances. He is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations.

c) Investor Grievances Redressal Status

During the financial year 2018-19, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to non-receipt of Dividend, non-receipt of annual reports. All the complaints were resolved to the satisfaction of the investors.

The status of Investors' Complaints as on March 31, 2019, is as follows:

No. of complaints as on April 1, 2018	0
No. of complaints received during the Financial Year 2018-19	0
No. of complaints resolved upto March 31, 2019	0
No. of complaints pending as on March 31, 2019	0

To redress investor grievances, the Company has a dedicated E-mail ID investorrelations@moschip.com to which investors may send complaints.

SUBSIDIARY COMPANIES

The subsidiary companies are managed by their respective Board of Directors. The Company monitors the performance of subsidiary companies on periodic basis. The statement containing details of all significant transactions entered into by subsidiary companies is tabled before the Board periodically. Minutes of the Board Meetings of subsidiary companies are placed before the Board. The Company does not have any material Indian Subsidiary Company. The policy for determining material subsidiary is available on the Company's website. https://moschip.com/investors-relations/policies-documents/Policy_on_Material_Subsidiaries-document.pdf

GENERAL BODY MEETINGS

i) Details of last three AGMs

AGM	Venue	Time & Date	No. of Special resolutions passed
Seventeenth	Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road # 02, Banjara Hills, Hyderabad – 500034	30th September 2016 at 10.30 hrs.	01
Eighteenth	Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road # 02, Banjara Hills, Hyderabad – 500034	29th September, 2017 at 10.30 hrs.	02
Nineteenth	Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road # 02, Banjara Hills, Hyderabad – 500034	29th September, 2018 at 10.30 hrs.	00

ii) Postal ballot

During the financial year 2018-2019, the Company approached the Shareholders through postal ballot. The details of the postal ballot are as follows:

During the FY 2018-2019, the Company passed the following special resolutions through postal ballot:

Special Resolution	Voting Details				Date of declaration of results
	Votes cast in favor		Votes cast against		
	No. of votes	%	No. of votes	%	
To issue Warrants on preferential basis to Mr. K. Ramachandra Reddy, Promoter of the Company.	73,778,969	99.999	915	0.001	05th June, 2018
To issue Equity Shares on preferential basis to Mr. Damodar Rao Gummadapu (51 % shareholder of Oshin Global Pte Limited, Promoter of the Company).	73,778,969	99.999	915	0.001	05th June, 2018
To issue Equity Shares on preferential basis to M/s Eiji Holdings Pte Ltd (49 % shareholder of Oshin Global Pte Limited, Promoter of the Company).	73,778,969	99.999	915	0.001	05th June, 2018
To issue Warrants on preferential basis to M/s J.B.M Resorts Private Limited, a Non-Promoter(s) / Non-Promoter Group of the Company.	73,778,969	99.999	915	0.001	05th June, 2018
To issue Warrants on preferential basis to M/s Mouri Tech LLC, a Non-Promoter(s) / Non-Promoter Group of the Company.	73,778,973	99.999	911	0.001	05th June, 2018
Appointment of Mr. Singa Rao Gottipati (DIN - 07730448) as an Executive Director ("Manager" under the provisions of Companies Act, 2013) of the Company.	73,778,869	99.999	1,015	0.001	05th June, 2018
To issue Equity Shares (Swap Shares) on preferential basis to the Unitholders of GigaCom Semiconductor, LLC.	86,117,184	99.999	314	0.001	29th August, 2018
Appointment of Mr. Venkata Sudhakar Simhadri (DIN: 01883241) as the Managing Director of the Company.	86,327,071	99.95	46,011	0.05	17th January, 2019
Approval for MosChip Employees Stock Option Plan 2018 for employees of the Company.	86,326,771	99.95	46,311	0.05	17th January, 2019
Approval for extending MosChip Employees Stock Option Plan 2018 for employees of the Subsidiaries of the Company.	86,326,771	99.95	46,311	0.05	17th January, 2019
To change the name of the Company from 'MosChip Semiconductor Technology Limited' to 'MosChip Technologies Limited' and consequent amendment to Memorandum of Association and Articles of Association of the Company.	86,369,940	99.99	3,142	0.001	17th January, 2019

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot notice dated 27th April, 2018, 23rd July, 2018 and 10th December, 2018.

B S S & Associates, Company Secretaries have been appointed as the scrutinizer for all postal ballots for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting)facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of Karvy Fin Tech Private Limited ("Karvy").Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules. The Company also engaged the Services of Karvy Fin Tech Private Limited ("Karvy") for providing e voting facility to shareholders to do e-voting on resolutions set out in postal ballot.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, www.moschip.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent.

Means of Communication

i) Financial results, Annual Report etc.:

The quarterly Un-audited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges (BSE) where the Company's shares are listed and then published in Financial Express in English and Nava Telangana, regional language daily (Telugu). The Results are also posted on the Company's website www.moschip.com. All official releases and other related information are also displayed on this website.

The quarterly Un-audited Financial Results and the Annual Financial Results along with the, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditor's Report, Cash Flow Statement, Corporate Governance Report, Management Discussion and Analysis and Shareholding Pattern etc. can also be accessed by investors from the Company's website www.moschip.com.

Annual Report containing audited standalone accounts, consolidated financial statements together with Board's Report, Auditors Report and other important information are circulated to members entitled thereto.

ii) Management Discussion and Analysis

The Management Discussion and Analysis, as reviewed by the Audit Committee, is part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

a.	AGM – Date, Time and Venue	:	30th December, 2019 at 10:30 am at State Gallery of Art Auditorium Road No.1, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500 033.
b.	Financial Calendar	:	The financial year of the Company starts from the 01st day of April and ends on 31st day of March of next year.

c. The following is the tentative financial calendar of the Company, which is subject to change:

Un-Audited Financial Results for the FY 2019-20

First Quarter Results	:	13th August, 2019.
Second Quarter & Half-yearly Results	:	24th October, 2019.
Third Quarter Results	:	Between 01st February, 2020 &14th February, 2020
Fourth Quarter & Annual Results (Audited in lieu of un-audited results)	:	Between 15th May, 2020 & 29th May, 2020.

d.	Date of Book Closure	:	23rd December 2019 to 30th December, 2019 (both days inclusive)
e.	Dividend Payment Date	:	Your Board has not recommended any Dividend
f.	Listing on Stock Exchanges	:	BSE Limited P J Towers, Dalal Street, Fort, Mumbai – 400 001.
g.	Stock Code on BSE Limited	:	532407 / MOSCHIP
h.	Listing Fee	:	Listing fees to the Stock Exchange for listing of equity shares have been paid for the FY 2019-20.

i. Market Price data High / Low during each month in the Financial Year 2018-19 and Performance in comparison to broad- based indices such as BSE Sensex.

The information on market price of MosChip stock and its comparison with BSE Sensex is as below:

Month & Year	MOSCHIP		SENSEX	
	High	Low	High	Low
Apr-18	40.35	29.80	35,213.30	32,972.56
May-18	41.40	31.25	35,993.53	34,302.89
Jun-18	32.70	28.00	35,877.41	34,784.68
Jul-18	32.25	27.50	37,644.59	35,106.57
Aug-18	31.85	28.70	38,989.65	37,128.99
Sep-18	32.50	26.05	38,934.35	35,985.63
Oct-18	26.75	20.45	36,616.64	33,291.58
Nov-18	26.50	21.50	36,389.22	34,303.38
Dec-18	28.75	21.20	36,554.99	34,426.29
Jan-19	25.90	20.00	36,701.03	35,375.51
Feb-19	22.90	17.50	37,172.18	35,287.16
Mar-19	22.35	18.10	38,748.54	35,926.94

j. Registrar and Transfer Agents : Karvy FinTech Pvt. Ltd.
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad - 500 032, Telangana.

k. Share Transfer System

The applications for transfers, transmission etc., are received by the Company at Registered Office address at Hyderabad or at Karvy FinTech Pvt. Ltd., Registrar and Transfer Agents, Hyderabad. As the Company's shares are currently traded in dematerialized form the transfers are processed and approved in the electronic form by NSDL / CDSL through their depository participants.

Shares sent for physical transfer are generally registered and returned within a week from the date of receipt; provided the documents are clear in all respects. The authorized persons for share transfers will meet at regular interval to clear the transfer cases as early as possible.

Karvy FinTech Pvt. Ltd. is the Common Share Transfer Agent for both Physical and Demat mode.

l. Distribution of Shareholding:

The Distribution of shareholding of the Company as on 31st March 2019 is as below:

DISTRIBUTION SCHEDULE AS ON 31/03/2019					
S. No	Category	Cases	% of Cases	Amount in Rupees	% Amount
1	1 – 5000	17,725	90.99	15,450,074	5.326
2	5001 – 10000	747	3.83	5,653,500	1.949
3	10001 – 20000	448	2.29	6,916,620	2.384
4	20001 – 30000	154	0.79	3,820,932	1.317
5	30001 – 40000	106	0.54	3,822,492	1.317
6	40001 – 50000	54	0.27	2,483,610	0.856
7	50001 – 100000	116	0.595	8,193,238	2.824
8	100001 & Above	130	0.66	243,714,646	84.023
	Total	**19,480**	**100.00**	**290,055,110**	**100.00**

m. Dematerialization of shares and liquidity

As per SEBI guidelines on investors' protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity and facilitate scrip-less trading. As at the end of 31st March 2019, 98.05% of the outstanding equity shares of the company are in electronic form.

The Company's shares are being traded in the BSE Limited (BSE) under **ISIN-INE935B01025.**

n. Plant locations

The Company has a Design Centre and component assembly plant the particulars of which are given below:

Plant / Design Center	Location
Hyderabad	Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road No.02, Banjara Hills, Hyderabad – 500 034, Telangana, India
Plant	Industrial Park, Laxmi Chambers, Plot No. C-5, A (P) Survey No. 1, Beside line GVK Bio, Uppal, Hyderabad, 500039, Telangana, India

o. Address for Correspondence and contact persons for investor's queries

In order to facilitate quick redressal of the grievances/ queries, the Investors and Shareholders may contact the Company Secretary at the under mentioned registered office address for any assistance:

Suresh Bachalakura
Company Secretary
MosChip Technologies Limited
Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza,
Road No.02, Banjara Hills,
Hyderabad, Telangana – 500 034,
Tel: +91-40-6622 9292
Fax: +91-6622 9393,
Email:investorrelations@moschip.com

Besides, investors are also requested to make any correspondence with the Share Transfer Agents, whose particulars are furnished as under:

Karvy FinTech Pvt. Ltd.,
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad, Telangana - 500 032.
Contact Person: V Raghunath, Deputy Manager
Tel: +91-40-4465-5208,
Email: einward.ris@karvy.com

p. BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like share holding pattern, corporate governance report, statement of investor complaints, among others are also filed electronically on the Listing Centre.

q. SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

r. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

S. No	Payments to the Statutory Auditors (excluding taxes)	Fees paid in Lakhs
1	Statutory Audit fees paid for Audit of the MosChip Technologies Limited including Limited Review & fee paid for any other services	3.00
2	Statutory Audit fees paid for Audit of the Maven Systems Private Limited including Limited Review & fee paid for any other services	1.55
3	Statutory Audit fees paid for Audit of the MosChip Institute Silicon Systems Private Limited including Limited Review & fee paid for any other services	0.55
	Total	**5.10**

s. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013:

S. No	Particulars	No
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposedoff during the year	Not Applicable
3	Number of cases pending as on end of the financial year	Not Applicable

t. Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity as of 31st March, 2019.

Your Company does not have outstanding GDR / ADR as of 31st March, 2019, further your Company has 79,99,999 outstanding warrants as of 31st March, 2019 which are convertible into equal number of shares.

u. Details of recommendation of Committees of the Board which were not accepted by the Board

Nil. All recommendations of the Committees of the Board were duly accepted by the Board.

DISCLOSURES

a. Disclosure of Materially Significant Related Party Transactions

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under Regulation 23 of SEBI (LODR) Regulations, 2015, the Company has a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website at https://moschip.com/investors-relations/policies-documents/PolicyOnRelatedPartyTransactions-document.pdf

Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. During the year 2018-19, no transactions of material nature were entered into by the Company with the Management or their relatives that may have a potential conflict of interest with the Company and the concerned officials have given undertakings to that effect as per the provisions of the Listing Regulations.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has not been any non-compliance, penalties or strictures imposed on your Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

c. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and

Employees concerning unethical behavior, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee.The Vigil Mechanism Policy has been uploaded on the website of the Company at https://moschip.com/investors-relations/policies-documents/WhistleBlowerPolicy-document.pdf.

d. **Insider Trading**

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company. The Policy on Code of Conduct for prevention of Insider Trading has been uploaded on the website of the Company athttps://moschip.com/investors-relations/policies-documents/Code_of_Conduct_for_Prevention_of_Insider_Trading-document.pdf.

Compliance with the Mandatory Corporate Governance Requirements as prescribed under the Listing Regulations

The Board of Directors periodically reviews the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances from M/s. BSS & Associates, Company Secretaries and the same is appended as an Annexure to this Report.

Confirmation of Compliance with the Corporate Governance Requirements Specified in Regulation 17 to 27 And Clauses (B) to (I) of Sub-Regulation 2 of Regulation 46 of SEBI Listing Regulations.

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to(i)	Website	Yes

Details of Compliances with the Non-mandatory Corporate Governance requirements as prescribed under the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as prescribed in Regulation 27 of the Listing Regulations:

a. **The Board**

The Non-Executive Chairman is entitled to maintain the Chairman’s office at the Company’s expense and also allowed reimbursement of expenses incurred in performance of his duties.

b. **Shareholders Rights**

We display our quarterly and half yearly results on our web site www.moschip.com and also publish our results in widely circulated newspapers. We publish the voting results of shareholder meetings and make it available on our website www.moschip.com, and report the same to Stock Exchanges in terms of Regulation 44 of the Listing Regulations.

c. **Modified opinion(s) in audit report**

The Auditors have issued an un-qualified opinion on the financial statements of the Company.

d. **Reporting of internal auditor**

The Audit Committee appointed a Chartered Accountancy firm as Internal auditors of the Company. The Partner-Incharge reports to the Chairman of the Audit Committee of the Board and administratively to the Chief Financial Officer. He has regular and exclusive meetings with the Audit Committee prior to reports of Internal Audit getting discussed with the Management Team.

Non-compliance of any requirement of corporate governance report.

The Company has complied with all the requirements of Corporate Governance Report.

Regulation 34(3) compliance of SEBI Listing Regulations

Your Company is in compliance with the disclosures required to be made under this report in accordance with the Act and regulation 34(3) read with Schedule V to the SEBI Listing Regulations.

Company Registration details

Your Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L31909TG1999PLC032184.

CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, certificate duly signed by the CEO/ CFO of the Company is appended as an Annexure to this Report.

REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms part of the Annual Report. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 of the Listing Regulations.

COMPLIANCE CERTIFICATE FROM A PRACTISING COMPANY SECRETARY

The Company has obtained a Certificate from a practicing Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para C of the Schedule V of the LODR Regulations.

Declaration for Affirmance of Compliance with Code of Conduct

In compliance with Regulation 17 of the SEBI Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.moschip.com. The Code is applicable to all Board members and Senior Management personnel of your Company. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of your Company as on 31st March, 2019 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO is as below:

DECLARATION

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of MosChip Technologies Limited have confirmed compliance with the Code of Conduct for the year ended March 31, 2019.

Place: Hyderabad | **Venkata Sudhakar Simhadri**
Date: 05 December, 2019 | **CEO**

CEO & CFO CERTIFICATION

To
The Board of Directors
MosChip Technologies Limited
Hyderabad.

We, Venkata Sudhakar Simhadri, Managing Director &Chief Executive Officer and Jayaram Susarla, Chief Financial Officer of MosChip Technologies Limited, hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee, wherever applicable:

   i. Significant changes in internal control over financial reporting during the year;
   ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad		
Date: 05 December, 2019	**Venkata Sudhakar Simhadri** CEO	**Jayaram Susarla** CFO

Certificate on compliance with the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
MosChip Technologies Limited,
Plot No. 83 & 84, 2nd Floor,
Punnaiah Plaza Road No. 2,
Banjara Hills, Hyderabad – 500034.

We have examined the compliance of conditions of Corporate Governance by MosChip Technologies Limited for the financial year ended on March 31, 2019, as stipulated in Regulations 17,18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clause (b) to (i) of sub regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

We state that such compliance is neither an assurance as to the future viability nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for B S S & Associates
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119A000368641

Place: Hyderabad
Date: 05 December, 2019

Certificate of Non-Disqualification of Directors

[As per Sub-clause (i) of Clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations]

To,
The Members,
MosChip Technologies Limited,
Plot No. 83 & 84, 2nd Floor,
Punnaiah Plaza Road No. 2,
Banjara Hills, Hyderabad – 500034.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MosChip Technologies Limited having CIN: L31909TG1999PLC032184 and having registered office at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road No. 2, Banjara Hills, Hyderabad, Telangana - 500034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Sub-clause (i) of Clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

for B S S & Associates
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119A000368621

Place: Hyderabad
Date: 05 December, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members
MosChip TechnologiesLimited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of MosChip Technologies Limited (here in after referred as 'the Parent Company') and its four subsidiaries (together referred to as 'the Group') for the year ended 31 March 2019, prepared by giving the effect to the terms of scheme of arrangement for amalgamation as approved by National Company Law Tribunal (NCLT) with appointed date i.e., 1 April 2018.

The Consolidated Financial Statements of the Group for the year ended on 31 March 2019 without considering the effect of aforesaid scheme of arrangement for amalgamation were earlier approved by the Board of Directors on 27 May 2019, which were audited and reported by us vide our audit report dated 27 May 2019 stands replaced by this audit report dated 05 December 2019 after due procedures. Based on the financial statements prepared by giving the effect of terms of Scheme of Arrangement for amalgamation approved by NCLT, we are submitting the audit report. The aforesaid Scheme of arrangement for amalgamation was filed with National Company Law Tribunal (NCLT) on 23 April 2019 which has been approved vide NCLT Orders dated 05 December 2019.

Consolidated Financial Statements comprises of Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March,2019, of its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows for the year then ended.

Basis for opinion

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

Key audit matters

Key audit matters('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ➢ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. ➢ Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. ➢ Performed the following procedures: • Analysed and identified the distinct performance obligations in the contracts. • Compared these performance obligations with that identified and recorded by the Group. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • In respect of revenue recorded for time and material contracts were tested using combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
Acquisition of businesses within the -Group are recognised and accounted in the books in accordance with Ind AS 103 Business Combinations. The application of the accounting standard involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 40 to the Consolidated Financial Statements. The carrying value of Goodwill resulting from such business combinations aggregated INR 718,563,386 as at 31st March, 2019. Significant judgement is required by management in assessing the Goodwill impairment, if any, annually, which is determined using valuation techniques. The valuation is largely based on expected future cash flows, taking into account estimated growth rates and assumption with regard to discount rates. The assessment of impairment involves significant judgements and estimates. As such we consider this as a key audit matter	For assessing the impairment, we have verified the following: o Evaluated the internal sources and external sources of information to identify impairment indicators. o Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analysis used in development of free cash flows by the management. o Assessed the discount rates by making reference to comparable companies within the same industry. o Reviewed the management plans for the foreseeable future and events / factors which have an impact on the relevant business. o Evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis. o We analysed the management approved financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumptions considered, which will have adverse impact on the recoverable value of such investments. o Tested the accounting entries of business combinations for the acquisition entries recorded during the financial year to verify if these were in accordance with Ind AS 103. o Held discussions with the Component Auditors for business combinations accounted in components not audited by us to verify compliance with the accounting standards.

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

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

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

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

Management’s Responsibility for the Consolidated Financial Statements

The Parent Company’s management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

- Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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.

- Obtained sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditor's regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the Financial Statements / Consolidated Financial Statements of two foreign subsidiaries, whose Financial Statements / Consolidated Financial Statements (before eliminating inter company balances) reflects total assets of Rs.230,842,728/- as at 31st March 2019, total revenues of Rs.183,537,464/- and net cash outflows amounting to Rs.2,523,918/-for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the net profit(including other comprehensive income) of Rs.2,391,791/- for the year ended 31 March 2019, as considered in the Consolidated Financial Statements, in respect of two foreign wholly owned subsidiaries, whose financial statements have not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Further, of these subsidiaries, two subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in United States of America and which have been audited by other auditor under generally accepted auditing standards applicable in United States of America. The Parent Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in United States of America to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management.

Our opinion above on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors of the Parent Company and its subsidiaries which are incorporated in India as on 31st March, 2019 taken on record by the Board of Directors of respective companies, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

   i. The Consolidated Financial Statements disclose the impact of pending litigations on its financial position of the Group.

   ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiaries incorporated in India.

   iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30 December 2016 have not been made in these Consolidated Financial Statements since they do not pertain to the financial year ended 31 March 2019.

3. **With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of amendments to section 197(16) of the Act:**

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Parent Company and its subsidiaries, which are incorporated in India is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Parent Company and its subsidiaries, which are incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For S.T. Mohite & Co.,
Chartered Accountants
Firm Regn. No. 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.015635
UDIN: 19015635AAEZ9196

Place: Hyderabad
Date: 05 December, 2019

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MosChip Technologies Limited of even date)

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

In conjunction with our audit of the Consolidated Financial Statements of MosChip Technologies Limited ("the Parent Company") as of 31st March, 2019,We have audited the internal financial controls over financial reporting of the Parent Company and its subsidiaries which are incorporated in India for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its subsidiaries which are incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements.

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

Inherent limitations of Internal Financial Controls with reference to Financial Statements.

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March,, 2019, based on the internal control over financial reporting criteria established by the Parent Company and its subsidiaries which are incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.T. Mohite & Co.,
Chartered Accountants
Firm Regn. No. 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.015635
UDIN: 19015635AAEZ9196

Place : Hyderabad
Date : 05 December, 2019

CONSOLIDATED BALANCE SHEET

(All amounts in Indian Rupees, except share data and where otherwise stated)

PARTICULARS	Note No.	As at 31 March 2019 Rs.	As at 31 March 2018 Rs.
ASSETS			
Non-current assets			
Property, Plant & Equipment	4	127,315,645	140,056,518
Capital work-in-progress	4	-	17,640,013
Goodwill	40	718,563,386	317,035,434
Other Intangible assets	5	201,605,434	26,078,098
Intangible assets under development	5	24,120,714	86,544,239
Financial assets			
Trade receivable	8	51,622,140	48,423,963
Deferred Tax Assets (Net)	36	312,682	1,862,615
Other Non-current assets	6	1,198,936	-
		1,124,738,937	**637,640,880**
Current Assets			
Inventories	7	50,261,168	57,651,089
Financial assets			
Trade receivable	8	349,032,560	333,366,829
Cash and cash equivalents	9 (a)	30,801,220	14,185,639
Other bank balances	9 (b)	2,167,536	24,150,339
Loan	10	111,079,899	72,774,551
Other financial assets	11	2,097,056	4,655,011
Income Tax Assets (Net)		67,009,505	39,501,028
Other current assets	12	106,303,162	74,849,703
		718,752,106	**621,134,189**
Total Assets		**1,843,491,043**	**1,258,775,069**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	307,820,754	262,594,630
Other equity	14	721,993,381	157,915,325
Total equity		**1,029,814,135**	**420,509,955**
Non-current Liabilities			
Provisions	15	30,648,439	11,347,938
Financial liabilities			
Borrowings	17	2,003,892	-
Other financial liabilities	16	37,584,034	-
		70,236,365	**11,347,938**
Current Liabilities			
Financial liabilities			
Borrowings	17	439,797,151	549,510,423
Trade payable	18		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than (a) above		218,730,488	208,631,380
Other financial liabilities	16	29,014,410	21,699,638
Other current liabilities	19	44,196,728	41,497,944
Deferred tax liability	36	6,012,424	-
Provisions	15	5,689,342	5,577,791
Total current liabilities		**743,440,543**	**826,917,176**
Total liabilities		**813,676,908**	**838,265,114**
Total equity and liabilities		**1,843,491,043**	**1,258,775,069**
See accompanying notes forming part of the Consolidated Financial Statements 1 to 44			

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	PARTICULARS	Note No.	As at 31 March 2019 Rs.	As at 31 March 2018 Rs.
I	**Income**			
	Revenue from operations	20	747,586,683	601,724,402
	Other income	21	16,661,879	4,130,415
	Total Income		**764,248,562**	**605,854,817**
II	**Expenses**			
	Cost of material consumed	22	89,738,494	210,739,719
	Changes in inventories of finished goods	23	5,846,385	(5,846,385)
	Other operating expenses	24	101,474,448	74,157,942
	Employee benefits expenses	25	581,623,124	272,824,420
	Finance costs	26	47,860,283	53,320,051
	Depreciation and amortisation expense	5a	86,984,334	21,964,126
	Other expenses	27	129,865,501	104,696,607
	Total expense		**1,043,392,569**	**731,856,480**
III	**Loss before tax (I - II)**		(279,144,007)	(126,001,663)
IV	**Tax expense**			
	Current tax		2,532,466	-
	Deferred tax		7,083,673	348,299
	Total tax expense		**9,616,139**	**348,299**
V	**Loss after tax (III - IV)**		**(288,760,146)**	**(126,349,962)**
VI	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss:			
	Remeasurement of defined benefit plan		3,577,434	(30,551)
	B) Items that will be reclassified to profit or loss:			
	Exchange difference on translating foreign operations		(333,441)	(423,604)
	Total Other Comprehensive (Income) / Expenses		**3,243,993**	**(454,155)**
VII	**Total comprehensive loss for the year (V - VI)**		**(292,004,139)**	**(125,895,807)**
	Earnings per equity share (nominal value of INR 2) in INR	35		
	Basic		(1.95)	(1.00)
	Diluted		(1.92)	(0.95)
	See accompanying notes forming part of the Consolidated Financial Statements 1 to 44			

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts in Indian Rupees, except share data and where otherwise stated)

		31 March 2019 Rs.	31 March 2018 Rs.
A	**Cash flow from operating activities**		
	Loss before tax	(279,144,007)	(126,001,663)
	Adjustments for:		
	Depreciation of property, plant & equipment	55,357,848	18,096,322
	Amortisation of intangible assets	31,626,486	3,867,804
	Interest income	(1,805,296)	(1,586,307)
	Finance costs	47,860,283	53,320,051
	Bad debts	15,497,791	4,179,909
	Shared based payments	9,281,962	1,046,189
	Provision for employee benefits	13,327,522	3,918,605
	Working capital adjustments:		
	Increase in trade receivables	(909,580)	(230,939,838)
	Decrease / (Increase) in inventories	8,307,667	(2,233,365)
	Increase in loans	(3,873,413)	(14,703,849)
	Increase in other assets	(13,937,814)	(25,977,847)
	Increase/ (decrease) in trade payables and other financial liabilities	(44,008,921)	92,348,796
	Increase/ (decrease) in provisions	2,482,763	(2,203,465)
	Increase in other financial liabilities	2,757,199	28,508,064
		(157,179,510)	**(199,360,594)**
	Income tax paid	(28,557,995)	-
	Net cash flows used in operating activities	**(185,737,505)**	**(199,360,594)**
B	**Cash flow from investing activities**		
	Purchase of property, plant & equipment (including capital work in progress)	(9,592,964)	(52,160,706)
	Purchase of intangibles	(27,163,141)	(91,480,933)
	(Investments in) / redemption of bank deposits	21,982,803	1,339,493
	Payment for acquisition of equity investment	(67,012,700)	-
	Interest income received	1,863,114	1,412,817
	Net cash flows used in investing activities	**(79,922,888)**	**(140,889,329)**
C	**Cash flow from financing activities**		
	Proceeds from Issue of Share Capital / Share warrants	438,361,381	106,776,825
	(Repayment) /Proceeds from short term borrowings, net	(127,317,444)	266,143,039
	Finance cost paid	(39,027,424)	(33,916,440)
	Net cash flows from financing activities	**272,016,513**	**339,003,424**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	6,356,120	(1,246,499)
	Cash and cash equivalents at the beginning of the year	14,185,639	15,008,534
	Increase in Cash and Cash Equivalents on Amalgamation (ref.note41)	10,592,902	-
	Movement in Foreign currency translation reserve	(333,441)	423,604
	Cash and cash equivalents at the end of the year (refer note 9 (a))	**30,801,220**	**14,185,639**

See accompanying notes forming part of the Consolidated Financial Statements 1 to 44

As per our report of even date attached
For ST Mohite & Co.,
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For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

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Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Indian Rupees, except share data and where otherwise stated)

a. **Equity Share Capital**
Equity shares of INR 2 each issued, subscribed and fully paid-up

As of 1 April 2017		Change in Equity share Capital during the year		As at 31 March, 2018	
Shares	Amount	Shares	Amount	Shares	Amount
124,589,015	249,178,030	6,708,300	13,416,600	131,297,315	262,594,630
As of 1 April 2018		**Change in Equity share Capital during the year**		**As at March 31, 2019**	
Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
131,297,315	262,594,630	22,613,062	45,226,124	153,910,377	307,820,754

b. **Other Equity**

Particulars	Share Application Money pending Allotment	Money received against warrants	Reserves and Surplus				Other Comprehensive Income		Total
			Capital reserve	Securities Premium	Share option outstanding account	Retained Earnings	Foreign Currency Translation Reserve	Remeasurement of the net defined benefit plans	
As at 1 April 2017	35,880	70,501,200	144,236,010	444,503,513	1,486,502	(493,076,888)	22,828,272	(63,581)	190,450,908
Loss for the year	-	-	-	-	-	(126,349,962)	-	-	(126,349,962)
Other comprehensive income (Net)	-	-	-	-	-	-	423,604	30,551	454,155
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(126,349,962)**	**423,604**	**30,551**	**(125,895,807)**
Transfer on allotment of Equity Shares	654,211	(34,140,435)	-	-	-	-	-	-	(33,486,224)
Received on exercise of Stock options	-	-	-	1,767,120	-	-	-	-	1,767,120
Received on Issue of fresh share	-	-	-	125,295,442	(216,114)	-	-	-	125,079,329
As at 31 March 2018	**690,091**	**36,360,765**	**144,236,010**	**571,566,075**	**1,270,388**	**(619,426,850)**	**23,251,876**	**(33,030)**	**157,915,325**
Loss for the year	-	-	-	-	-	(288,760,146)	-	-	(288,760,146)
Other comprehensive income (Net)	-	-	-	-	-	-	333,441	(3,577,434)	(3,243,993)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(288,760,146)**	**333,441**	**(3,577,434)**	**(292,004,139)**
Refund of share application money	(690,091)	-	-	-	-	-	-	-	(690,091)
Forfeiture of warrants	-	(3,256,157)	3,256,157	-	-	-	-	-	-
Issue of warrants	-	419,315,943	-	-	-	-	-	-	419,315,943
Issue of equity shares for acquisition (on swap basis)	-	-	-	210,112,000	-	-	-	-	210,112,000
Additions on account of Amalgamation	-	-	-	216,354,835	-	-	-	-	216,354,835
Transfer from share option outstanding account on exercise of stock options	-	-	-	786,096	(786,096)	-	-	-	-
Received on exercise of stock options	-	-	-	1,100,470	-	-	-	-	1,100,470
Amortised amount of share based payments to employees (net)	-	-	-	-	9,281,962	-	-	-	9,281,962
Issue of fresh equity shares on preferential basis	-	-	-	17,200,000	-	-	-	-	17,200,000
Conversion of equity warrants to equity shares	-	(232,418,422)	-	215,825,498	-	-	-	-	(16,592,924)
As at 31 March 2019	**-**	**220,002,129**	**147,492,167**	**1,232,944,974**	**9,766,254**	**(908,186,996)**	**23,585,317**	**(3,610,464)**	**721,993,381**

See accompanying notes forming part of the Consolidated Financial Statements 1 to 44

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Place Hyderabad
Date 05 December 2019

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

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Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

(All amounts in Indian Rupees, except share data and where otherwise stated)

1 Corporate Information

Moschip Technologies Limited ('the Company') was incorporated in 1999 as a private limited company under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) in 2001. The Registered office of the Company is situated at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road No. 2, Banjara Hills, Hyderabad, Telangana 500034. which is its principal place of business. As on 31 March 2019, the Company has four wholly owned subsidiary companies in India and USA, Oshine Global Pte Limited is the holding Company and EIJI Holdings Pte Limited is the ultimate holding company of the Group.

The Group is engaged in to business of development and manufacture of System on Chip (SOC) technologies and Internet on Things (IoT).

The name of the Company has changed from MosChip Semiconductor Technology Limited to MosChip Technologies Limited with effective from 05 March 2019.

The Consolidated Financial Statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on December 05, 2019.

2 Basis of preparation of Consolidated Financial Statements

2.1 Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis of Consolidation:

The Consolidated Financial Statements comprise the financial statements of MosChip Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute "the Group").

The Company has consolidated all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Following are the Subsidiary companies as on 31 March 2019 & 31 March 2018 and the same are consolidated for the purpose of this Consolidated Financial Statement, regarding to acquisitions during the year refer note 42

Name of the Company	**Country of Incorporation**	**% Holding as on 31 March 2019**	**% Holding as on 31 March 2018**
Maven Systems Private Limited (Maven)	India	100% Subsidiary	100% Subsidiary
MosChip Technologies, USA (M USA)	USA	100% Subsidiary	100% Subsidiary
Gigacom Semiconductor, LLC, USA (GC USA)	USA	100% Subsidiary	-
Moschip Institute Of Silicon Systems Private Limited (MISS)	India	100% Subsidiary	-

All subsidiaries are considered for consolidation

2.3 Basis of preparation of Consolidated Financial Statements:

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

These Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

2.4 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in statement of profit or loss as incurred. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

2.5 Functional currency

The Consolidated Financial Statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.6 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets :

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within twelve months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities :

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets / liabilities include the current portion of non-current assets/ liabilities respectively. All other assets / liabilities are classified as non-current."

2.7 Critical accounting judgements and key sources of estimation uncertainty Operating cycle

"In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions

Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

3 Significant accounting policies

3.1 Revenue recognition

The Group derives revenues primarily from Information Technology Services comprising software development, consulting and related services.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc."

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations."

- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method. "

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

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Further, at the inception of above arrangement, the Group determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.3 Foreign currencies

In preparing the Consolidated Financial Statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for consolidated financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.7 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within “other (income)/expense, net” in the income statement.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the income statement as incurred."

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Useful lives of depreciable assets *	Useful Life
Mask Tools	5
Electrical Installation	10
Leasehold improvements	6
Lab Equipment's	5
Plant and Machinery	5
Furniture and fixtures	10
Office equipment's	5
Computers	3
Vehicles	10
Other Intangible assets	3

Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation is charged on a proportionate basis for all property, plant and equipment purchased and sold during the year.

3.8 Goodwill and other intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units(or group of cash-generating units) that is expected to benefit from the synergies of the combinations.

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, is capitalized as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognized as expense as incurred. The capitalized costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised on straight line basis over a period of three years.

3.9 Inventories

Components and parts:

Components and parts are valued at lower of cost or net realizable value. Cost is determined on First-In-First Out basis.

Finished Goods:

Finished goods are valued at the lower of the cost or net realisable value. Cost is determined on First-In-First Out basis.

Projects in Progress / Work in Progress:

Hardware equipment and other items are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis. Cost includes material cost, freight and other incidental expenses incurred in bringing the inventory to the present location / condition.

3.10 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a 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. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.11 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

3.12 Impairment of non financial assets

The carrying amounts of the Group's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the consolidated income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.13 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Group's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the consolidated statement of profit and loss in the period in which they arise.

3.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.15 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.16 Financial instruments

a. Recognition and Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– amortised cost;

– fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated–e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– the restructuring of a loan or advance by the Group on terms that the Company would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.17 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation."

(All amounts in Indian Rupees, except share data and where otherwise stated)

4 **Property, plant and equipment**

Particulars	Mask Tools	Electrical Installation	Leasehold improvements	Lab Equipment's	Plant and Machinery	Furniture and fixtures	Office equipment's	Computers	Vehicles	Total Tangible Assets	Capital Work-in-progress
Cost											
At April 1, 2017	-	148,125	721,992	442,430	36,152	886,043	994,323	4,427,829	273	7,657,167	118,183,255
Additions / (Transfer)	147,909,544	-	-	1,640,667	-	602,700	431,473	2,123,584	-	152,707,967	(100,543,242)
Less: Deletions	-	-	-	-	-	2,595	1,425	-	-	4,020	-
At March 31, 2018	**147,909,544**	**148,125**	**721,992**	**2,083,097**	**36,152**	**1,486,147**	**1,424,371**	**6,551,413**	**273**	**160,361,115**	**17,640,013**
Additions / (Transfer)	-	71,668	11,585,898	69,630	174,551	4,572,908	4,111,675	3,862,091	2,556,198	27,004,619	(17,640,013)
Less: Deletions	-	-	1,358,819	2,200	-	1,283,168	547,327	249,696	-	3,441,210	-
On account of Amalgamation (refer note no.41)	-	300,599	-	-	1,466,986	1,700,828	-	1,318,850	2,699,922	7,487,186	-
On account of Acquisition (refer note no.42)	-	257,374	-	-	307,475	4,505,710	(1,550)	955,391	-	6,024,400	-
At March 31, 2019	**147,909,544**	**777,766**	**10,949,071**	**2,150,527**	**1,985,164**	**10,982,425**	**4,987,169**	**12,438,049**	**5,256,393**	**197,436,109**	**-**
Accumulated depreciation											
At April 1, 2017	**-**	**145,273**	**379,263**	**61,972**	**13,799**	**138,104**	**140,816**	**1,325,684**	**273**	**2,205,184**	**-**
Charge for the year	14,831,477	2,852	342,729	244,666	2,945	307,076	257,799	2,106,778	-	18,096,322	-
Less: Deletions	-	-	-	-	-	(1,513)	(1,578)	-	-	(3,091)	-
At March 31, 2018	**14,831,477**	**148,125**	**721,992**	**306,638**	**16,744**	**446,693**	**400,193**	**3,432,462**	**273**	**20,304,597**	**-**
Charge for the year	29,569,847	318,206	12,500,265	418,912	1,124,287	4,358,988	2,733,865	3,777,152	556,327	55,357,848	-
Less: Deletions	-	-	3,358,809	2,200	-	1,417,888	374,810	388,275	-	5,541,981	-
At March 31, 2019	**44,401,324**	**466,331**	**9,863,448**	**723,350**	**1,141,031**	**3,387,793**	**2,759,248**	**6,821,339**	**556,600**	**70,120,464**	**-**
Carrying amount											
At April 1, 2017	-	2,852	342,729	380,458	22,353	747,939	853,507	3,102,145	-	5,451,983	118,183,255
At March 31, 2018	133,078,067	-	-	1,776,459	19,408	1,039,454	1,024,178	3,118,951	-	140,056,518	17,640,013
At March 31, 2019	**103,508,220**	**311,435**	**1,085,623**	**1,427,177**	**844,133**	**7,594,632**	**2,227,921**	**5,616,710**	**4,699,793**	**127,315,645**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

5 Intangible assets

Particulars	Design & Development	Computer Software's	Total Intangible assets	Intangible assets under development
Cost				
At April 1, 2017	-	759,653	759,653	24,584,546
Additions	29,521,240	-	29,521,240	61,959,693
Less : Deletions	-	-	-	-
At March 31, 2018	**29,521,240**	**759,653**	**30,280,893**	**86,544,239**
Additions / (Transfer)	207,055,455	98,367	207,153,822	(62,423,525)
Less : Deletions	-	-	-	-
At March 31, 2019	**236,576,695**	**858,020**	**237,434,715**	**24,120,714**
Accumulated amortisation				
At April 1, 2017	-	334,991	334,991	-
Charge for the year	3,867,804	-	3,867,804	-
At March 31, 2018	**3,867,804**	**334,991**	**4,202,795**	**-**
Charge for the year	31,443,721	182,765	31,626,486	-
At March 31, 2019	**35,311,525**	**517,756**	**35,829,281**	**-**
Carrying amount				
At April 1, 2017	-	424,662	424,662	24,584,546
At March 31, 2018	25,653,436	424,662	26,078,098	86,544,239
At March 31, 2019	**201,265,170**	**340,264**	**201,605,434**	**24,120,714**

5a Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation	55,357,848	18,096,322
Amortisation	31,626,486	3,867,804
Total	**86,984,334**	**21,964,126**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
6 Other assets		
Non-current assets		
Unsecured, considered good		
Advances to employees*	1,198,936	-
	1,198,936	**-**
*Carried at fair value through statement of profit and loss		
7 Inventories*		
Inventories consist of the following		
Hardware and Product Component for IoT	50,261,168	57,651,089
	50,261,168	**57,651,089**
*Inventories are carries at lower of cost and net realisable value.		
8 Trade receivable		
Non-current		
Unsecured, considered good	51,622,140	48,423,963
	51,622,140	**48,423,963**
Less: Allowance	-	-
	51,622,140	**48,423,963**
Trade receivable - Current		
Unsecured, considered good	349,032,560	333,366,829
	349,032,560	**333,366,829**
Less: Allowance	-	-
	349,032,560	**333,366,829**
9(a) Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- in Current account	20,749,540	10,436,239
- in Deposit account	10,051,680	1,151,400
Funds in Transit	-	2,598,000
	30,801,220	**14,185,639**
9(b) Other bank balances		
Term deposits with Banks with original maturities of less than 1 year*	2,167,536	24,150,339
Total Other bank balances	**2,167,536**	**24,150,339**
*Balances held as Margin Money/Security towards obtaining Bank Guarantees		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
10 Loans-current		
Unsecured, considered good		
Security deposits	111,079,899	72,774,551
	111,079,899	**72,774,551**
11 Other current financial assets		
Unsecured, considered good		
Earnest Money Deposits	1,981,521	4,481,521
Interest accrued on deposits	115,535	173,490
	2,097,056	**4,655,011**
12 Other current assets		
Unsecured, considered good		
Advances to employees	2,275,923	1,324,204
Balance with Government Authorities	4,473,251	4,238,203
Indirect tax recoverable	4,774,055	9,852,602
Advance to Vendors	52,557,392	53,109,766
Prepaid expenses	11,814,887	5,481,718
Unbilled revenue	30,407,654	843,210
	106,303,162	**74,849,703**
13 Equity share capital		
Authorised Share Capital		
282,705,000 (March 31, 2018: 275,155,000) equity shares of Rs.2/- each	565,410,000	550,310,000
Issued, subscribed and fully paid-up		
147,249,777 (March 31, 2018: 131,576,815) equity shares of Rs.2/- each fully paid-up	294,499,554	263,153,630
6,899,070 (March 31, 2018: Nil) equity shares of Rs.2/- each fully paid-up to the members of transferor Companies (refer note (g))	13,798,140	-
Less: 238,470 (March 31, 2018: 279,500) Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	476,940	559,000
Adjusted: Issued, subscribed and fully paid-up	**307,820,754**	**262,594,630**

(All amounts in Indian Rupees, except share data and where otherwise stated)

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

	As at 31 March 2019		As at 31 March 2018	
Particulars	**No. of equity shares**	**Amount**	**No. of equity shares**	**Amount**
Outstanding at the beginning of the year	131,576,815	263,153,630	124,868,515	249,737,030
Issued during the year	15,672,962	31,345,924	6,708,300	13,416,600
Share issued on account of amalgamation (refer note 41)	6,899,070	13,798,140	-	-
Total	154,148,847	308,297,694	131,576,815	263,153,630
Less: Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	238,470	476,940	279,500	559,000
Outstanding at the end of the year	153,910,377	307,820,754	131,297,315	262,594,630

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018	
Particulars	**No. of equity shares held**	**% holding**	**No. of equity shares held**	**% holding**
Oshine Global Pte Limited	81,531,739	52.89%	74,457,499	57.35%
EIJI Holdings Pte Limited (Ultimate holding Company)	196,000	0.13%	-	-

(d) Of the above issued shares 81,531,739 (31 March 2018 - 74,457,499) equity shares held by holding company namely Oshine Global Pte Ltd and 196,000 (31 March 2018 - Nil) equity shares are held by Ultimate holding Company namely EIJI Holdings Pte Limited.

(e) Of the above, 13,599,070 equity shares issued as fully paid for consideration other than cash in connection with acquisition of subsidiary and scheme of arrangements.

(f) As on 31 March 2019, the Company has 7,999,999 outstanding warrants issued on preferential basis entitling the holders for equal number of equity shares up on conversion.

(g) During the year two companies namely "First Pass Semiconductors Private Limited" (FPS) and "Gigacom Semiconductor Private Limited" (GSPL) are amalgamated in to the Company under the Scheme of arrangement for amalgamation duly approved by Honourable National Company Law Tribunal (NCLT), Hyderabad bench and certified true copy of the order is obtained on 05 December, 2019 and National Company Law Tribunal, Amaravathi bench vide its order dated 03 December, 2019 with the appointed date is 01 April 2018. The Scheme came into effect on 05 December 2019, the day on which both the orders were delivered to the Registrar of the Companies.

Pursuant to the order of NCLT, towards discharge of purchase consideration, the Company is under obligation to allot 6,899,070 equity shares of Rs.2/- each fully paid to the equity members of GSPL and FPS. The shares stand issued and are to be allotted to the members of GSPL and FPS. Pending allotment of these shares of Rs.2/- each fully paidup issued as per terms of the Scheme of arrangement for amalgamation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
14 Other equity		
a) Share Application Money pending Allotment		
Opening balance	690,091	35,880
Additions during the year	(690,091)	654,211
Closing balance	**-**	**690,091**
b) Money received against warrants		
Opening balance	36,360,765	70,501,200
Forfeiture of share warrants	(3,256,157)	(34,140,435)
Issue of share warrants	419,315,943	-
Conversion of warrants to equity shares	(232,418,422)	-
Closing balance	**220,002,129**	**36,360,765**
c) Capital Reserve		
Opening balance	144,236,010	144,236,010
Forfeiture of share warrants	3,256,157	-
Closing balance	**147,492,167**	**144,236,010**
d) Securities Premium		
Opening balance	571,566,075	444,503,513
Conversion of warrants to equity shares	215,825,498	125,295,442
Issue of equity shares for acquisition (on swap basis)	210,112,000	-
Additions on account of Amalgamation (refer note ii below)	216,354,835	-
Transfer from share option outstanding account on exercise of stock options	786,096	-
Received on exercise of Stock options	1,100,470	1,767,120
Issue of fresh equity shares on preferential basis	17,200,000	-
Closing balance	**1,232,944,974**	**571,566,075**
(i) Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.		
(ii) Securities Premium includes share premium at Rs.31.36 per equity share on 6,899,070 equity shares issued to the member of GSPL and FPS under the scheme of arrangement for amalgamation approved by NCLT.		
e) Share option outstanding account		
Opening balance	1,270,388	1,486,502
Additions during the year	9,281,962	(216,114)
Transfer from share option outstanding account on exercise of stock options	(786,096)	-
Closing balance	**9,766,254**	**1,270,388**
f) Retained earnings		
Opening balance	(619,426,850)	(493,076,888)
Loss for the year	(288,760,146)	(126,349,962)
Closing balance	**(908,186,996)**	**(619,426,850)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
g) Other Comprehensive Income		
(i) Remeasurement of the net defined benefit plans		
Opening balance	(33,030)	(63,581)
Additions during the year	(3,577,434)	30,551
Closing balance	**(3,610,464)**	**(33,030)**
(ii) Foreign currency translation reserve (FCTR)		
Opening balance	23,251,876	22,828,272
Additions during the year	333,441	423,604
Closing balance	23,585,317	23,251,876
Total other equity	**721,993,381**	**157,915,325**
15 Provisions		
Non-Current		
Provision for employee benefits		
- Gratuity (refer note 32)	21,685,962	7,741,202
- Compensated absences	8,962,477	3,606,736
	30,648,439	**11,347,938**
Current		
Provision for employee benefits		
- Gratuity (refer note 32)	1,535,670	3,883,661
- Compensated absences	4,153,672	1,694,130
	5,689,342	**5,577,791**
16 Other financial liabilities		
Non Current		
Royalty Payable	37,584,034	-
	37,584,034	**-**
Current		
Interest accrued and due on borrowings	28,236,472	19,403,611
Capital creditors	777,938	2,296,027
	29,014,410	**21,699,638**
17 Borrowings		
Non-Current		
Secured loans		
Vehicle Loans (refer note i)	2,003,892	-
	2,003,892	**-**
Current- Borrowings		
Unsecured Borrowings (refer note ii)		
- From banks	163,455,384	129,060,942
- From related parties (refer note 29)	276,341,767	420,449,481
	439,797,151	**549,510,423**
Note		
i) Vehicle Loans are secured by first charge and hypothecation of vehicles. Such loans are repayable over a period of 84 months and carry interest rate at 9.40% p.a.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
ii) The Group has obtained Over Draft facility from bank for an amount of Rs.15.00 crores. The said Over Draft facility from bank is secured by charge on time deposit of third party offered as collateral security and line of credit from bank for an amount of $ 150,000, which is secured by personally guarantee given by the director's of the Company.		
18 Trade payables		
Trade payables		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues other than (a) above	218,730,488	208,631,380
	218,730,488	**208,631,380**
19 Other liabilities		
Current		
Statutory liabilities	26,666,661	39,865,533
Advance from customer	14,325,603	690,034
Revenue received in advance	3,204,464	942,377
	44,196,728	**41,497,944**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
20 Revenue from operations		
IoT Business unit	148,134,064	230,831,315
Semiconductor services / Products	599,452,619	370,893,087
	747,586,683	**601,724,402**
21 Other income		
Interest income	1,805,296	1,586,307
Interest on Income-tax refund	169,212	415,741
Profit on sale of property, plant and equipment, net	-	58,200
Foreign exchange fluctuation	8,475,736	1,081,238
Miscellaneous income	6,211,635	988,929
	16,661,879	**4,130,415**
22 Cost of material consumed		
Opening stock	47,346,403	9,906,343
Add: Purchases during the year	87,330,997	248,179,781
Less: Closing stock	44,938,906	47,346,405
	89,738,494	**210,739,719**
23 Changes in inventories of finished goods		
Opening Stock	5,846,385	-
Closing Stock	-	5,846,385
	5,846,385	**(5,846,385)**
24 Other operating expenses		
Outsourcing Services	75,326,429	42,025,655
Software Expenses	5,997,608	7,059,227
Installation & Data Charges	6,945,154	14,893,009
Job work Charges	11,751,646	7,236,317
Other expenses	1,453,611	2,943,734
	101,474,448	**74,157,942**
25 Employee benefits expense		
Salaries, wages and bonus	547,360,952	251,612,232
Contribution to provident and other funds	11,456,677	9,343,087
Share based payment expenses	9,281,962	1,046,189
Staff welfare expenses	13,523,533	10,822,912
	581,623,124	**272,824,420**
26 Finance costs		
Interest on working capital loan	13,966,393	12,954,967
Interest on other loans	32,821,232	39,532,572
Bank charges	1,072,658	832,512
	47,860,283	**53,320,051**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
27 Other expenses		
Software expenses	2,356,757	263,478
Power and fuel	6,845,759	5,509,293
Director sitting fee	1,870,000	655,000
Repairs and maintenance	1,730,775	919,462
Auditors remuneration (refer note 31)	2,291,430	1,423,437
Postage, telegram and telephone expenses	1,760,924	2,823,043
Lease rentals (refer note 34)	34,822,602	29,713,763
Rent on equipment's	3,228,678	4,879,885
Business promotion and advertisement expenses	5,733,029	4,284,264
Security expenses	1,995,335	2,120,125
Travelling and conveyance	11,502,633	18,724,632
Rates and taxes	1,987,856	2,205,980
Professional charges	16,985,765	15,520,609
Printing and stationary	391,769	425,740
Communication expenses	1,262,139	1,216,100
Insurance	1,132,905	196,926
Loss on sale of property, plant and equipment, net	789,521	-
Office maintenance	4,941,746	3,923,631
Subscription charges	3,705,125	1,444,260
General expenses	9,032,962	4,267,070
Bad debts written off	15,497,791	4,179,909
	129,865,501	**104,696,607**

(All amounts in Indian Rupees, except share data and where otherwise stated)

28 Contingent liabilities and commitments

Particulars	As at 31 March 19	As at 1 March 18
i) Contingent liabilities:		
- Corporate guarantees given on behalf of related parties	2,167,536	24,150,207
ii) Commitments:		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	-	6,211,901

29 Related party disclosures

a) The following table provides the name of the related party and the nature of its relationship with the Group:

Name of the parties	Relation as on 31 March 2018
EIJI Holding Pte Limited	Ultimate Holding Company
Oshin Global Pte Limited	Holding Company
Directors and relatives *	
Jaagruthi Info Technologies Private Limited	Director has significant influence
IQuest Enterprises Private Limited	Common Shareholder through Holding Company
Mapple Enterprises Private Limited	Common Shareholder through Holding Company
Techwave Consulting Inc, USA	Director has significant influence
Techwave Infotech Private Limited	Director has significant influence
Magica Sports Ventures Private Limited	Common Director in Holding company and Magica Sports
Mr. Venkata Sudhakar Simhadri	Managing Director and CEO (KMP) * *
Mr. K Ramachandra Reddy	Non-Executive Director.
Mr. Raja Praturi	Non-Executive Director
Mrs. Asha Nimmagadda	Relative of Promoter of Holding company
Mr. Gunapati Venkata Pranav Reddy	Relative of Promoter of Holding company
Mr. Damodar Rao Gummadapu	Non-Executive Director.
Mr. Jayaram Susarla	CFO
Mr. Suresh Bachalakura	Company Secretary
Srinivasa Resorts Limited (ITC Kakatiya)	Relative of Promoter of Holding company
* The above list represents only the directors and relatives, who are having transactions with the company	
** Appointed as CEO on 24 July 2018 and appointed as Managing Director on 26 October 2018	
As per clause 8 of general instruction to Division II of Schedule III to the Companies Act, the above related parties are identified as per the terms and meaning assigned in Ind AS 24 Related Party Disclosures.	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

b) Details of all transactions with related parties during the year:

Particulars	Year ended 31 March 19	Year ended 31 March 18
Loans received from		
IQuest Enterprises Private Limited	45,000,000	222,500,000
Jaagruthi Info Technologies Private Limited	-	100,000,000
Techwave Infotech Private Limited	-	55,000,000
Mapple Enterprises Private Limited	40,000,000	-
Loans - Repayment		
Jaagruthi Info Technologies Private Limited	50,000,000	-
Mapple Enterprises Private Limited	20,000,000	-
IQuest Enterprises Private Limited	45,000,000	-
Techwave Infotech Private Limited	10,000,000	-
Mr. K Ramachandra Reddy	120,000,000	-
Allotment of equity shares / warrants		
EIJI Holding Pte Limited (196,000 equity shares @ 45)	8,820,000	-
Oshin Global Pte Limited (6,074,240 equity shares @ 21.8)	132,418,432	-
Mr. Damodar Rao Gummadapu (204,000 equity shares@ 45)	9,180,000	-
Mr. Venkata Sudhakar Simhadri (Preferential allotment) (4,516,634 equity shares @ 33.36) ##	150,674,910	-
Mrs. Srilakshmi Simhadri (84,349 equity shares @ 33.36) ##	2,813,883	-
Mr. K Ramachandra Reddy (Preferential allotment) (3,555,555 Warrants @ 45)	159,999,975	-
Interest expenses		
IQuest Enterprises Private Limited	11,878,767	9,196,851
Jaagruthi Info Technologies Private Limited	7,890,408	12,472,602
Techwave Infotech Private Limited	-	1,390,767
Mrs. Asha Nimmagadda	9,000,002	10,154,188
Mapple Enterprises Private Limited	4,052,055	-
Expenses		
Magica Sports Ventures Private Limited	5,800,000	-
Remuneration		
Mr. Gunapati Venkata Pranav Reddy	3,600,000	2,998,200
Transactions with Directors		
Remuneration to Whole time Director and CEO	12,510,593	1,083,333
Interest Payable on loan given by Whole time Director and CEO	-	7,551,566
Number of Stock Options Granted/outstanding to Directors	1,000,000	-
Transactions with Key Management Personal		
Remuneration to Key Management Personal	5,802,778	2,612,709
Number of Stock Options Granted/outstanding to Key Management Personal	27,000	20,000

The Company has allotted shares as part of acquisition of Gigacom Semiconductor, LLC

Remuneration disclosed above does not include insurance and other employee benefits (Gratuity and compensated absences). Gratuity and compensated absences is accrued in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.

(All amounts in Indian Rupees, except share data and where otherwise stated)

c) Balances outstanding:

Particulars	As at 31 March 19	As at 31 March 18
Trade and other payables		
Techwave Infotech Private Limited	47,882,682	58,981,293
Techwave Consulting Inc. USA	-	16,286,368
Jaagruthi Infotech Private Limited	7,101,371	5,706,246
IQuest Enterprises Private Limited	2,442,741	8,277,166
Techwave Infotech Private Limited	1,381,293	-
Mapple Enterprises Private Limited	5,172,163	-
Ms. Asha Nimmagadda	12,138,904	4,038,906
Magica Sports Ventures Private Limited	5,800,000	-
Srinivasa Resorts Limited	186,517	-
Loan outstanding		
Mapple Enterprises Private Limited	180,000,000	-
Jaagruthi Infotech Private Limited	50,000,000	100,000,000
IQuest Enterprises Private Limited	-	160,000,000
Mr. Venkata Sudhakar Simhadri	5,892,286	-
Mr. K Ramachandra Reddy, Director	40,449,481	160,449,481

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

30 Segment information

"Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the management evaluates the Companies performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented as per business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Certain expenses such as depreciation, stock compensation cost and finance cost, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the operating income of the Group. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the decision maker, in deciding how to allocate resources and assessing performance. The Group decision maker is the Chief Executive Officer. The Group has identified business segments as reportable segments. Accordingly, Semiconductor and IoT has been disclosed as business segments.

Segregation of assets (except for specific assets), liabilities (except for specific segment liabilities), depreciation and other non-cash expenses into various business segments has not been done as the assets are used interchangeably between segments and the Group is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful"

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

A **Business Segment**

	Year ended 31 March 19	Year ended 31 March 18
Revenue		
Semiconductor services	599,452,619	370,893,087
IoT	148,134,064	230,831,315
Total	**747,586,683**	**601,724,402**
Direct cost	**-**	**-**
Semiconductor services	580,262,397	339,344,073
IoT	197,565,730	189,213,271
Segment operational income		
Semiconductor services	19,190,222	31,549,014
IoT	(49,431,666)	41,618,045
Total Operational income	**(30,241,444)**	**73,167,058**
Other Income	(16,661,879)	(4,130,415)
Less - Un allocated expenses	130,719,824	128,014,959
Finance charges	47,860,283	53,320,051
Depreciation and Amortisation expenses	86,984,334	21,964,126
Loss after before tax	**(279,144,007)**	**(126,001,663)**
Tax expenses	9,616,139	348,299
Loss after tax	**(288,760,146)**	**(126,349,962)**

Statement of Segment assets and Segment liabilities

	As at 31 March 19	As at 31 March 18
Segment assets		
S emiconductor services	1,175,988,361	589,993,422
IoT	595,867,831	625,218,556
Un allocable segment assets	71,634,851	43,563,091
Total	**1,843,491,043**	**1,258,775,069**
Segment Liabilities		
Semiconductor services	131,622,383	26,621,356
IoT	85,678,204	96,298,778
Un allocable segment Liabilities	596,376,321	715,344,980
Total	**813,667,908**	**838,265,114**
Capital employed	**1,029,814,135**	**420,509,955**

The Group has identified Semiconductor and IOT as business segments for purpose of reporting. Business segments are identified based on the quantitative-thresholds and also based on management internal review process.

B **Secondary Segment information**

	Year ended 31 March 19	Year ended 31 March 18
1. Segment revenue - external turnover		
Within India	514,910,955	428,079,189
Outside India	232,675,728	173,645,213
Total	**747,586,683**	**601,724,402**
2. Non-Current assets		
Within India	1,096,670,007	637,361,256
Outside India	28,068,930	279,624
Total	**1,124,738,937**	**637,640,880**

During the year ended March 31, 2019 one customer individually accounted for more than 10% of the revenue. Management believes that it is currently not practicable to provide disclosure of geographical location wise assets, since the meaningful segregation of available information is onerous.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

31 Auditors' remuneration

Particulars	Year ended 31 March 19	Year ended 31 March 18
Statutory audit fee*	2,206,059	1,325,737
Other services	100,371	97,700
Total	**2,306,430**	**1,423,437**

* Includes audit fee of Rs.15,000/- of MISS pertaining to prior to acquisition

32 Gratuity

"The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 2,000,000.The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:"

Particulars	As at 31 March 19	As at 31 March 18
Opening balance	**13,906,397**	**11,234,714**
On account of amalgamation	3,269,548	
Service cost	7,041,667	2,751,170
Interest cost	1,294,130	757,082
Past Service Cost	-	10,404
Benefits paid	(3,259,687)	-
Actuarial gain	3,497,384	(846,973)
Closing balance	**25,749,439**	**13,906,397**
Present value of projected benefit obligation at the end of the year	25,749,437	13,906,397
Fair value of plan assets at the end of the year	2,527,805	2,281,534
Net liability recognised in the balance sheet	**23,221,632**	**11,624,863**
Non Current provision	21,685,962	7,741,202
Current provision	1,535,670	3,883,661

Expenses recognised in statement of profit and loss	Year ended 31 March 19	Year ended 31 March 18
Service cost	7,041,667	2,751,170
Interest cost	1,294,130	597,350
Total expenses routed through statement of profit and loss		
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes -	(254,822)	(523,005)
Actuarial gain / (loss) due to financial assumption changes	898,837	157,591
Actuarial gain / (loss) due to experience adjustments	2,853,369	183,805
Return on plan assets greater (less) than discount rate	80,050	151,058
Total expenses routed through OCI	**3,577,434**	**(30,551)**

Assumptions	As at 31 March 19	As at 31 March 18
Discount rate	7.10%	7.60%
Future salary increases	7.00%	7.00%
Employee turnover	13.00%	13.00%

(All amounts in Indian Rupees, except share data and where otherwise stated)

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

	As at 31 March 19	As at31 March 18
Effect of + 1% change in rate of discounting	(4.00)%	(6.96)%
Effect of - 1% change in rate of discounting	3.76%	7.90%
Effect of + 1% change in rate of salary increase	(3.09)%	(6.22)%
Effect of - 1% change in rate of salary increase	3.23%	5.68%

The sensitivity results above determine their individual impact on Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

33 Dues to Micro, small and medium enterprises

The Company sought the information from all the suppliers, based on the information available with the Company, there are no outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006", hence there is not reportable as required as per Sec 22(I) to (vi) of the MSMED Act, 2006 read with Schedule III of Companies Act, 2013.

34 Leases

Where the Company is a lessee:

The Company has taken office premises under operating leases. The leases typically run for a term ranging from one to five years, with an option to renew the lease after the term completion.

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	Year ended 31 March 19	Year ended 31 March 18
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	15,921,360
Later than 5 years	-	-

ii) Amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 19	Year ended 31 March 18
Cancellable Operating lease expense	34,822,602	22,763,963
Non - cancellable Operating lease expense	-	6,949,800
Total	**34,822,602**	**29,713,763**

35 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

(All amounts in Indian Rupees, except share data and where otherwise stated)

The following table sets out the computation of basic and diluted earnings per share:

Particulars	Year ended 31 March 19	Year ended 31 March 18
Loss for the year	(288,760,146)	(126,349,962)
Loss attributable to equity share holders	(288,760,146)	(126,349,962)
Equity Shares outstanding as at the end of the year (in nos.)	154,148,847	131,576,815
Weighted average number of Equity Shares used as a denominator for calculating Basic Earnings Per Share	148,386,521	125,906,589
Add: Dilutive impact of employee stock options	2,062,978	6,671,700
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	150,449,499	132,578,289
Earnings per share of par value ₹ *2 – Basic (₹)*	*(1.95)*	*(1.00)*
Earnings per share of par value ₹ 2 – Diluted (₹)	*(1.92)*	*(0.95)*

36 Deferred Tax

Computation of Deferred Tax	**Year ended 31 March 19**	**Year ended 31 March 18**
Opening Balance	**1,862,615**	**2,210,914**
On account of amalgamation / acquisitions	(478,684)	-
Depreciation	(7,083,673)	70,280
43B Disallowance	-	15,329
Employee Benefits	-	(253,468)
Differential Tax Rate	-	(180,440)
Total Timing Difference	(7,562,357)	(348,299)
Net Deferred Tax Asset / (Liability)	**(5,699,742)**	**1,862,615**

The following is the analysis of Deferred Tax Assets presented in the Balance Sheet:

Particulars	**As at 31 March 19**	**As at 31 March 18**
Deferred Tax Asset	312,682	1,862,615
Deferred Tax Liabilities	(6,012,424)	-
Deferred Tax Assets / (Liability)	**(5,699,742)**	**1,862,615**

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Particulars	**For the year ended 31 March 2019**			
	Opening Balance	**On account of amalgamation / acquisitions**	**Recognized current year**	**Closing Balance**
Employee Benefits	472,407	-	-	472,407
Depreciation	61,504	(478,684)	(7,083,673)	(7,500,853)
Provisions	1,509,144	-	-	1,509,144
Other items	(180,440)	-	-	(180,440)
Net Deferred Tax Asset / (Liability)	**1,862,615**	**(478,684)**	**(7,083,673)**	**(5,699,742)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2018			
	Opening Balance	Recognized in Profit & Loss	Recognized in OCI	Closing Balance
Employee Benefits	725,875	(253,468)	-	472,407
Depreciation	(8,776)	70,280	-	61,504
Provisions	1,493,815	15,329	-	1,509,144
Other items	-	(180,440)	-	(180,440)
Net Deferred Tax	**2,210,914**	**(348,299)**	**-**	**1,862,615**

37 Employee Stock Option Plans

The establishment of the MosChip Technologies Limited "Moschip Stock Option Plan 2008" was approved by shareholders at the 2008 annual general meeting. The Employee Option Plan is designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The Company has established ten schemes i.e., Employee Stock Option Plan, MosChip Stock Option Plan 2001, MosChip Stock Option Plan 2002, MosChip Stock Option Plan 2004, MosChip Stock Option Plan 2005 (MI), MosChip Stock Option Plan 2005 (WOS), MosChip Stock Option Plan 2008, MosChip Stock Option Plan 2008(ALR), MosChip Stock Option Plan 2008 (Director) and MosChip Stock Option Plan 2018 with 600,000 equity shares, 300,000 equity shares, 700,000 equity shares, 1,000,000 equity shares, 500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares and 10,000,000 equity shares respectively.

During the financial year 2018-19, the Company has closed the following schemes:

(i) MosChip Stock Option Plan - 2001

(ii) MosChip Stock Option Plan - 2002

(iii) MosChip Stock Option Plan - 2004

Out of above plans the Company has granted options during the year ended 31 March 2019 in Moschip Stock Option Plan 2005 (MI) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2008 (ALR), Moschip Stock Option Plan 2008 (Director)

Once vested, the options remain exercisable for a period of three / four years. When exercisable, each option is convertible into one equity share. The exercise price of the options is based on the previous day closing rate on which options are granted which the company's shares are traded on the stock exchange during the previous day.

Set out below is a summary of options granted under the plan:

For Year Ended 31 March 2019					
Particulars	MosChip Stock Option Plan 2008	MosChip Stock Option Plan 2005 (MI)	MosChip Stock Option Plan 2005 (WS)	MosChip Stock Option Plan (ALR)	MosChip Stock Option Plan (Director)
Options outstanding at the beginning of the year	698,000	-	-	-	-
Granted during the year	1,475,000	400,000	313,000	1,011,000	1,000,000
Forfeited during the year	147,500	-	5,000	125,000	-
Exercised during the year	276,500	-	-	-	-
Vested and not exercisable	-	-	-	-	-
Options outstanding at the end of the year	1,749,000	400,000	308,000	886,000	1,000,000

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2019 was INR 22.49 (31 March 2018 – INR 2.84).

(All amounts in Indian Rupees, except share data and where otherwise stated)

Share options outstanding at the end of the year have the following expiry date and exercise prices

	As at 31 Mar 19		As at 31 Mar 18
Grant date	26-Oct-18	12-Aug-15	12-Aug-15
Expiry date	25-Oct-25	11-Aug-22	11-Aug-22
Excise price	*₹ 18.00*	*₹ 5.98*	*₹ 5.98*
Share options	*4,199,000*	*421,500*	*698,000*

The fair value at grant date of options granted during the year ended 31 March 2019 was INR 7.01 per option for one year, INR 9.62 per option for two years, INR 11.96 per option for three years and INR 13.34 for four year schemes (31 March 2018 was INR 3.09 per option for three year). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2019 included:

	As at 31 Mar 19		As at 31 Mar 18
Grant Date	26-Oct-18	12-Aug-15	12-Aug-15
Expiry Date	25-Oct-25	11-Aug-22	11-Aug-22
Excise Price	*₹ 18.00*	*₹ 5.98*	*₹ 5.98*
Share Price at Grant date	₹ 22.00	₹ 5.98	₹ 5.98
Expected price volatility of the company's shares	44.23%	71.60%	71.60%
Expected dividend yield	-	-	-
Risk free interest rate	8.14%	6.60%	6.60%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

38 Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.16 to the consolidated financial statements.

(All amounts in Indian Rupees, except share data and where otherwise stated)

a. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments not in hedging relationship	Amortised Cost	Total carrying value
Financial asset					
Trade receivables - Non current	51,622,140	-	-	-	51,622,140
Trade receivables	-	-	-	349,032,560	349,032,560
Cash and cash equivalents	-	-	-	30,801,220	30,801,220
Other bank balances	-	-	-	2,167,536	2,167,536
Loans	-	-	-	111,079,899	111,079,899
Other financial assets	-	-	-	2,097,056	2,097,056
Total	**51,622,140**	**-**	**-**	**495,178,271**	**546,800,411**
Financial liabilities					
Borrowings - long term	-	-	-	2,003,892	2,003,892
Borrowings - short term	-	-	-	439,797,151	439,797,151
Others	-	-	-	37,584,034	37,584,034
Trade payables	-	-	-	218,730,488	218,730,488
Other financial liabilities	-	-	-	29,014,410	29,014,410
Total	**-**	**-**	**-**	**727,129,975**	**727,129,975**

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments not in hedging relationship	Amortised Cost	Total carrying value
Financial asset					
Trade receivables - Non current	48,423,963	-	-	-	48,423,963
Trade receivables	-	-	-	333,366,829	333,366,829
Cash and cash equivalents	-	-	-	14,185,639	14,185,639
Other bank balances	-	-	-	24,150,339	24,150,339
Loans	-	-	-	72,774,551	72,774,551
Other financial assets	-	-	-	4,655,011	4,655,011
Total	**48,423,963**	**-**	**-**	**449,132,369**	**497,556,332**
Financial liabilities					
Borrowings short term	-	-	-	549,510,423	549,510,423
Trade payables	-	-	-	208,631,380	208,631,380
Other financial liabilities	-	-	-	21,699,638	21,699,638
Total	**-**	**-**	**-**	**779,841,441**	**779,841,441**

(All amounts in Indian Rupees, except share data and where otherwise stated)

b. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets includes trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analyses have been prepared on the basis that the amount of net debt and the interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Interest rate risk

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

Interest rate sensitivity

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

	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2019		
INR	+1%	(3,569,252)
INR	-1%	3,569,252
March 31, 2018		
INR	+1%	(3,890,609)
INR	-1%	3,890,609

The Group's debt portfolio consists of short term fixed rate borrowings.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the management.

(All amounts in Indian Rupees, except share data and where otherwise stated)

Ind AS requires expected credit losses to be measured through a loss allowance based on historical collection pattern. During the previous year the Group started new line of business called IoT, which has contributed around 20% of the revenue for year 2018-19. Credit loss relating to this business couldn't be measured based on historical collection pattern. There is no major credit loss related to Semiconductor business. However, the Group has provided for credit loss wherever required on review of exposure on case to case basis.

Concentration Risk

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks with high credit ratings assigned by credit rating agencies.

Trade receivable - During the previous year the Group has started new line of business IoT which consists of Smart Lighting and GEO HEMS streams. Smart Lighting business is a Government of India Initiative as a part of developing smart cities and energy saving by replacing normal street lights with LED lights.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 1 year	1 to 3 years	3 to 5 years	>5 years	Total
Year ended March 31, 2019						
Borrowings	439,797,151	-	-	-	-	439,797,151
Trade payables	-	218,730,488	-	-	-	218,730,488
Other Financial Liabilities (current and non current)	-	66,598,444	-	-	-	66,598,444
Year ended March 31, 2018						
Borrowings	549,510,423	-	-	-	-	549,510,423
Trade payables	-	208,631,380	-	-	-	208,631,380
Other Financial Liabilities	-	21,699,638	-	-	-	21,699,638

39 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2019 and March 31, 2018 was as follows:

Particulars	31 March 19	31 March 18
Total equity attributable to the equity shareholders of the Company	1,029,814,135	420,509,955
As a percentage of total capital	70%	43%
Long term borrowings including current maturities	2,003,892	-
Short term borrowings	439,797,151	549,510,423
Total borrowings	441,801,043	549,510,423
As a percentage of total capital	30%	57%
Total capital (equity and borrowings)	1,471,615,178	970,020,378

(All amounts in Indian Rupees, except share data and where otherwise stated)

40 Goodwill

Following is the summary of changes in carrying amount of goodwill:

	Year ended 31 March 19	Year ended 31 March 18
Balance at the beginning of the year	317,035,434	317,035,434
On addition/ acquisition during the year (Refer note 41 and 42)	401,527,952	-
Impairment of Goodwill	-	-
Balance at the end of the year	718,563,386	317,035,434

Goodwill impairment testing has been carried out, the recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

The key assumptions used are as follows:

Budgeted Projections:

The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.

Budgeted gross margins:

Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements.

Price inflation:

The values assigned to the key assumption are consistent with external sources of information.

41 Disclosure pursuant to Ind AS 103 "Business Combinations"

I. The Board of Directors in their meeting held on 23rd July 2018 has approved the 100% acquisition of equity share capital of "First Pass Semiconductors Private Limited" (FPS) and "Gigacom Semiconductor Private Limited" (GSPL). Based on the terms of the acquisition as agreed upon between the parties, the Company has acquired 18.28% equity in FPS through cash consideration amounting to Rs. 47,012,700 and remaining balance of equity in FPS shall be acquired by issue of 4,665,070 fully paid up equity shares of the Company. 100% equity in GSPL shall be acquired by issue of 2,234,000 fully paid up equity shares of the Company, further, the board has approved for scheme of arrangement for amalgamation of GSPL and FPS with effective from 1 April 2018.

ii. GSPL and FPS are merged into the Company with effective from 01 April 2018 (the "appointed date") Pursuant to the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Honarable National Company Law Tribunal, Hyderabad bench and certified true copy of the order is obtained on 05 December 2019 and National Company Law Tribunal, Amaravathi bench vide its order dated 03 December 2019. The Scheme came into effect on 05 December 2019, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties, agreements & contracts and obligations of GSPL and FPS have been transferred to and vested in the Company with effect from April 1, 2018. In accordance with the Scheme, the investments held by the Comapny in FPS has.

iii. This amalgamation is accounted under the 'Acquisition' method as per Indian Accounting Standard 103 Business Combinations. Applying the guidance under the standard, all assets acquired and liabilities assumed of GSPL and FPS have been taken at the acquisition date fair values. the excess of the consideration transferred over the net assets acquired is recognised as goodwill.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

Accounting treatment of the Amalgamation

Particulars	FPS	GSPL	Total
No. of Equity shares	4,665,070	2,234,000	6,899,070
Issued price (face value - Rs. 2/- and premium - Rs. 31.26)	33.36	33.36	33.36
Value of equity shares issued by MosChip Technologies Limited pursuant to the scheme	155,626,735	74,526,240	230,152,975
Consideration paid in cash	47,012,700	-	47,012,700
Total Consideration * (A)	**202,639,435**	**74,526,240**	**277,165,675**
Assets acquired			
Fixed Assets (net)	5,682,816	1,804,370	7,487,186
Trade Receivables	27,035,038	7,579,419	34,614,457
Cash and cash equivalents	9,431,584	1,161,318	10,592,902
Loans and Advances (long term and short term)	10,055,398	1,165,364	11,220,762
Liabilities assumed			
Liabilities and provisions (long term and short term)	(12,808,820)	(5,686,767)	(18,495,587)
Long-Term and Short-Term Borrowings	(1,580,265)	(738,029)	(2,318,294)
Net Assets (B)	**37,815,751**	**5,285,675**	**43,101,426**
Goodwill on account of amalgamation (A-B)	**164,823,684**	**69,240,565**	**234,064,249**

* Excludes consideration allocated to deferred employee compensation of Rs. 33,100,000 recognized in statement of profit and loss account on proportionate basis over the service period.

42 Business Combinations

Details of acquisitions during the year ended March 31, 2019

Particulars	GC USA	MISS	Total
No.of Equity shares	6,700,000	-	6,700,000
Issued price (face value - Rs.2/- and premium - Rs.31.26)	38.97	-	38.97
Value of equity shares issued by Moschip Technologies Limited pursuant to the scheme	261,096,034	-	261,096,034
Consideration paid in cash	-	20,000,000	20,000,000
Total Consideration (A)	**261,096,034**	**20,000,000**	**281,096,034**
Property, plant and equipment	2,967,559	3,056,841	6,024,400
Non-current Assets	-	-	-
Current Assets	37,350,438	7,310,770	44,661,208
Non-current Liabilities	-	-	-
Deferred Tax Liabilities	-	-	-
Current Liabilities	(49,978,463)	(4,544,604)	(54,523,067)
Intellectual Property Right	117,469,790	-	117,469,790
Fair value of net assets as on date of acquisition (B)	**107,809,324**	**5,823,007**	**113,632,331**
Goodwill on account of acquisition (A-B)	**153,286,710**	**14,176,993**	**167,463,703**

Goodwill comprises of acquired workforce and expected synergies arising from the acquisition

43 Disclosure of additional information in Consolidated Financial Statements as required in para II in general instructions as part III of division II to Schedule III to the Companies Act,2013 refer Annexure A.

44 Previous year figures have been regrouped wherever necessary, to correspond with the current period's.

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

Annexure A

Disclosure of additional information in Consolidated Financial Statements as required in para II in general instructions as part III of division II to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss				Share in other comprehensive Income				Share in Total comprehensive Income			
	F.Y. 2018-2019		F.Y. 2017-2018		F.Y. 2018-2019		F.Y. 2017-2018		F.Y. 2018-2019		F.Y. 2017-2018		F.Y. 2018-2019		F.Y. 2017-2018	
	As % of consolidated Net Assets	Amount In Rs.	As % of consolidated Net Assets	Amount In Rs.	As % of consolidated Profit or loss	Amount In Rs.	As % of consolidated Profit or loss	Amount In Rs.	As % of consolidated comprehensive income	Amount In Rs.	As % of consolidated comprehensive income	Amount In Rs.	As % of consolidated comprehensive income	Amount In Rs.	As % of consolidated comprehensive income	Amount In Rs.
Parent Company																
MosChip Technologies Limited	107.13%	1,103,280,897	103.40%	434,827,044	78.79%	(227,508,818)	94.93%	(119,944,433)	165%	5,345,648	80%	(363,233)	79.74%	232,854,466	94.98%	119,508,201
Subsidiaries																
Indian																
Maven Systems Private Limited	-9.24%	(95,126,131)	-10.62%	(44,643,638)	18.01%	(52,003,195)	27.99%	(35,370,638)	-55%	(1,768,213)	-73%	332,682	17.20%	50,234,982	28.36%	35,703,320
MosChip Institute of Silicon Systems Private Limited	-0.07%	(750,296)	-	-	0.26%	(750,296)	-	-	0%	-	-	-	0.26%	750,296	-	-
Foreign																
MosChip Technologies, USA	1.01%	10,433,369	7.22%	30,326,549	6.96%	(20,091,297)	-22.92%	28,965,110	2%	49,393	93%	(423,604)	6.90%	20,140,691	-23.34%	(29,388,714)
Gigacom Semiconductor, LLC	1.16%	11,976,295	-	-	-4.01%	11,593,460	-	-	-12%	(382,835)	-	-	-4.10%	(11,976,295)	-	-
Total	**100%**	**1,029,814,135**	**100%**	**420,509,955**	**100%**	**(288,760,146)**	**100%**	**(126,349,962)**	**100%**	**3,243,993**	**100%**	**(454,155)**	**100%**	**292,004,139**	**100%**	**125,895,807**

INDEPENDENT AUDITOR'S REPORT

To
The Members
MosChip TechnologiesLimited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of MosChip Technologies Limited ('the Company') for the year ended on 31 March 2019, wherein the effect of Scheme of arrangement for amalgamation has been given pursuant the approved scheme of arrangement for amalgamation with effect from the appointed date i.e., 1 April 2018.

The Standalone Financial Statements of the Company for the year ended on 31 March 2019 without considering the effect of aforesaid scheme of arrangement for amalgamation were earlier approved by the Board of Directors on 27 May 2019, which were audited and reported by us vide our audit report dated 27 May 2019 stands replaced by this Audit Report dated 5th December 2019 after due audit procedures. Based on the financial statements prepared by giving the effect of terms of Scheme of Arrangement for amalgamation approved by NCLT, we are submitting the audit report. The aforesaid Scheme of arrangement for amalgamation was filed with National Company Law Tribunal (NCLT) on 23 April 2019 which has been approved vide NCLT Orders dated 05 December 2019, whereby financials of two amalgamating companies are incorporated as part of Financials of the Company.

Standalone Financial Statements comprise the Balance Sheet as at 31stMarch, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards('Ind AS')prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31stMarch 2019,profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Standalone Financial Statements 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ➢ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. ➢ Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. ➢ Performed the following procedures: • Analysed and identified the distinct performance obligations in the contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • In respect of revenue recorded for time and material contracts were tested using combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
Acquisition of businesses within the Company is recognised and accounted in the books in accordance with Ind AS 103 Business Combinations. The application of the accounting standard involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 39to the Standalone Financial Statements. The carrying value of Goodwill resulting from such business combinations aggregated INR 444,150,372 as at 31st March, 2019. Significant judgement is required by management in assessing the Goodwill impairment, if any, annually, which is determined using valuation techniques. The valuation is largely based on expected future cash flows, taking into account estimated growth rates and assumption with regard to discount rates. The assessment of impairment involves significant judgements and estimates. As such we consider this as a key audit matter	For assessing the impairment, we have verified the following: Evaluated the internal sources and external sources of information to identify impairment indicators. Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses used in development of free cash flows by the management. Assessed the discount rates by making reference to comparable companies within the same industry. Reviewed the management plans for the foreseeable future and events / factors which have an impact on the relevant business. Evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis. We analysed the management approved financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumptions considered, which will have adverse impact on the recoverable value of such investments. Tested the accounting entries of business combinations for the acquisition entries recorded during the financial year to verify if these were in accordance with Ind AS 103.

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, 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.

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in Order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that :

   a. We have sought and obtained all the information and explanations which to thebest of our knowledge and belief were necessary for the purposes of our audit.

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

c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

iv. The disclosures in the Standalone Financial Statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30 December 2016 have not been made in these Standalone Financial Statements since they do not pertain to the financial year ended 31 March 2019.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of amendments to section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For S.T. Mohite & Co.,
Chartered Accountants
Firm Regn. No. 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.015635
UDIN: 19015635AAAAEY6325

Place: Hyderabad
Date: 05 December, 2019

Annexure A to the Independent Auditors' Report

With reference to Annexure A as referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company on the Standalone Financial Statements for the year ended 31 March 2019, we report the following:

Sl No.	Ref to CARO	Report by Independent Auditors
1	3(I)	**Fixed Assets**
	3(i)(a)	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
	3(i)(b)	The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified on annual basis, in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all fixed assets were physically verified during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
	3(i)(c)	The Company is not holding any immovable properties and accordingly clause 3(i)(c) of the Order is not applicable to the Company for the year under review.
2	3(ii)	**Inventories**
		As explained to us, the inventories has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no material discrepancies noticed on verification between the physical stock and the book records.
3	3(iii)	**Loans to parties covered by Sec.189 of the Companies Act,2013 ('the Act')**
		According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to body corporate, firms, Limited Liability Firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly the provisions of the clause 3 (iii) of the Order are not applicable to the Company for the year under review.
4	3(iv)	**Loans, guarantees, securities to and investments in other companies**
		In our opinion and according to the information and explanation given to us, the company has transactions for compliance with the provisions of Sections 185and186 and complied with the provisions of Section 186 of the Act in respect of investments made and loans given.
5	3(v)	**Acceptance of deposits**
		In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year as per provisions of Section 73 or 76 of the Act and any other relevant provisions of the Act and the relevant Rules framed thereunder. Accordingly the provisions of the clause 3 (v) of the Order are not applicable to the Company for the year under review.
6	3(vi)	**Maintenance of cost records**
		According to the information and explanations given to us, the maintenance of cost records prescribed under section 148(1) of the Act read with Rule 3 of the Cost Audit Rules is not applicable to the company. Accordingly reporting under clause 3(vi) of the Order is not applicable to the Company for the year under review.
7	3(vii)	**Statutory Dues**
	3(vii)(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State insurance, Income Tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues have been generally deposited during the year by the Company with the appropriate authorities except on certain occasions. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
	3(vii)(b)	According to the information and explanation given to us, there are no dues of statutory dues of Income tax, sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty, Value added tax, cess and other dues have not been deposited by the Company on account of any disputes.

8	**3(viii)**	**Defaults in repayments to Financial Institutions/Banks/Debenture holders**
		In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment/repayments of loans or borrowings to the banks. The Company did not have any outstanding loans or borrowings from financial Institutions or Government.
9	**3(ix)**	**Initial public offer/further offer**
		In our opinion and according to the information and explanation given to us, the company has not made, for the year under review, any initial public offer or further public offer of securities (including debt instruments) or the term loans during the year and hence reporting under clause 3(ix) of the Order is not applicable to the company.
10	**3(x)**	**Frauds by or on the company**
		In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed orreported during the course of our audit.
11	**3(xi)**	**Managerial Remuneration**
		In our opinion and according to the information and explanation given to us based on the examination of the records of the Company, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12	**3(xii)**	**Nidhi company**
		In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company as prescribed under Section 406 of the Act and hence paragraph 3(xii) of the Order is not applicable to the company.
13	**3(xiii)**	**Transactions with Related parties**
		In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with provisions of section 177 and section 188 of the Act where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14	**3(xiv)**	**Preferential allotment u/s 62 or private placement u/s 42 of the Act**
		According to the records of the Company, the Company has made a preferential allotment of 10,222,221 warrants fully convertible into equal number of equity shares and during the year effected partial conversion of 2,222,222 warrants converted into equal number of equity shares. Further, the company has allotted 7,376,500 equity shares on preferential basis (including 276,500 of shares were allocated under Employee Stock Options Scheme). There is no private placement of shares under section 42 of the Act during the year.
15	**3(xv)**	**Non-cash transactions with director's u/s 192 of the Act**
		In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non cash transactions with its Directors or persons connected to its Directors or persons connected with him and hence provisions of Sec 192 of the Act and paragraph 3(xv) of the Order are not applicable to the company.
16	**3(xvi)**	**Registration u/s 45-1A of Reserve Bank of India Act,1934**
		According to the information and explanation given to us, The company is not required to be registered under section 45-1A of the Reserve bank of India Act, 1934 and hence paragraph 3(xvi) of the Order is not applicable to the company.

For S.T. Mohite & Co.,
Chartered Accountants
Firm Regn. No. 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.015635
UDIN: 19015635AAAAEY6325

Place: Hyderabad
Date: 05 December, 2019

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to standalone financial statements of MosChip Technologies Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2019based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.T. Mohite & Co.,
Chartered Accountants
Firm Regn. No. 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.015635
UDIN: 19015635AAAAEY6325

Place: Hyderabad
Date: 05 December, 2019

STANDALONE BALANCE SHEET

(All amounts in Indian Rupees, except share data and where otherwise stated)

PARTICULARS	Note No.	As at 31 March 2019 Rs.	As at 31 March 2018 Rs.
ASSETS			
Non-current assets			
Property, Plant & Equipment	4	117,531,895	138,401,664
Capital work-in-progress	4	-	17,640,013
Goodwill	39	444,150,372	210,086,123
Other Intangible assets	5	27,431,253	26,162,377
Intangible assets under development	5	-	11,378,340
Financial assets			
Investment	6	338,853,023	57,756,989
Trade receivable	8	51,622,140	48,423,963
Deferred Tax Assets (Net)	36	312,681	902,723
		979,901,364	**510,752,192**
Current Assets			
Inventories	7	3,035,873	44,358,128
Financial assets			
Trade receivable	8	407,638,017	348,523,356
Cash and cash equivalents	9 (a)	15,439,430	5,502,789
Other bank balances	9 (b)	2,167,536	24,150,339
Loans	10	282,066,478	210,277,651
Other financial assets	11	1,497,056	4,055,011
Income Tax Assets (Net)		58,508,236	29,188,618
Other current assets	12	47,285,289	25,358,132
		817,637,915	**691,414,023**
Total Assets		**1,797,539,279**	**1,202,166,216**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	307,820,754	262,594,630
Other equity	14	797,560,142	174,332,412
Total equity		**1,105,380,896**	**436,927,042**
Non-current Liabilities			
Provisions	15	26,675,489	9,440,633
Financial liabilities			
Borrowings	17	2,003,892	-
Other financial liabilities	16	37,584,034	-
		66,263,415	**9,440,633**
Current Liabilities			
Financial liabilities			
Borrowings	17	422,507,381	549,510,423
Trade payable	18		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than (a) above		142,008,386	145,106,634
Other financial liabilities	16	29,014,410	21,699,638
Other current liabilities	19	27,359,488	37,670,943
Provisions	15	5,005,303	1,810,903
		625,894,968	**755,798,541**
Total liabilities		**692,158,383**	**765,239,174**
Total equity and liabilities		**1,797,539,279**	**1,202,166,216**
See accompanying notes forming part of the Standalone Financial Statements 1 to 41			

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	PARTICULARS	Note No.	Year ended 31 March 2019 Rs.	Year ended 31 March 2018 Rs.
I	**Income**			
	Revenue from operations	20	586,907,195	455,586,333
	Other income	21	28,529,845	13,229,475
	Total Income		**615,437,040**	**468,815,818**
II	**Expenses**			
	Cost of material consumed	22	68,442,964	137,831,874
	Changes in inventories of finished goods	23	5,846,385	(5,846,385)
	Other operating expenses	24	68,698,503	50,093,675
	Employee benefits expenses	25	503,542,153	256,397,253
	Finance costs	26	46,309,156	52,955,408
	Depreciation and amortisation expense	5a	64,072,628	20,983,273
	Other expenses	27	86,034,067	75,618,681
	Total expense		**842,945,856**	**588,033,779**
III	**Loss before tax (I - II)**		(227,508,816)	(119,217,971)
IV	Tax expense		-	-
	Total tax expense		**-**	**-**
V	**Loss after tax (III - IV)**		**(227,508,816)**	**(119,217,971)**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	Remeasurements of the defined benefit liabilities - gain / (loss)		(5,345,647)	(363,233)
	Total Other Comprehensive Expenses		**(5,345,647)**	**(363,233)**
VII	**Total comprehensive loss for the year (V + VI)**		**(232,854,463)**	**(119,581,204)**
	Earnings per equity share (nominal value of INR 2) in INR	35		
	Basic		(1.53)	(0.95)
	Diluted		(1.51)	(0.89)
	See accompanying notes forming part of the Standalone Financial Statements 1 to 41			

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

STANDALONE STATEMENT OF CASH FLOW

(All amounts in Indian Rupees, except share data and where otherwise stated)

	31 March 2019 Rs.	31 March 2018 Rs.
A. Cash flow from operating activities		
Loss before tax	(227,508,816)	(119,217,971)
Adjustments for:		
Depreciation of property, plant & equipment	53,963,164	17,226,367
Amortisation of intangible assets	10,109,464	3,756,906
Interest income	(15,697,858)	(10,463,364)
Finance costs	46,309,156	52,955,408
Bad debts	2,596,060	3,115,068
Shared based payments	9,281,960	1,046,189
Provision for employee benefits	13,327,522	5,391,914
Working capital adjustments:		
Increase in trade receivables	(64,756,051)	(219,996,912)
Decrease / (Increase) in inventories	41,322,255	(3,596,529)
Increase in loans	(37,327,214)	(68,041,873)
Increase in other assets	(8,206,395)	(2,611,844)
(Decrease)/Increase in trade payables and other current liabilities	(24,473,487)	140,520,062
Decrease in provisions	1,756,087	(2,448,724)
Increase / (decrease) in other financial liabilities	(10,311,455)	31,092,651
	(209,615,608)	**(171,272,652)**
Income tax paid	(29,319,618)	-
Net cash flows used in operating activities	**(238,935,226)**	**(171,272,652)**
B. Cash flow from investing activities		
Purchase of property, plant & equipment (including capital work in progress)	(6,014,592)	(170,061,525)
Purchase of intangibles	-	(19,016,998)
(Investments in) / redemption of bank deposits	21,982,803	(2,897,507)
Payment for acquisition of equity investment	(67,012,700)	-
Interest income received	15,755,813	10,705,615
Net cash flows used in investing activities	**(35,288,676)**	**(181,270,415)**
C. Cash flow from financing activities		
Proceeds from Issue of Share Capital / warrants	438,361,382	106,776,825
Proceeds / (Repayment) from short term borrowings, net	(127,317,444)	278,858,726
Interest paid	(37,476,295)	(30,437,673)
Net cash flows from / (used in) financing activities	**273,567,643**	**355,197,878**
Net (increase) / decrease in cash and cash equivalents (A+B+C)	(656,259)	2,654,811
Increase in Cash and Cash Equivalents on Amalgamation (ref.note40)	10,592,900	
Cash and cash equivalents at the beginning of the year	5,502,789	2,847,978
Cash and cash equivalents at the end of the year (refer note 9 (a))	**15,439,430**	**5,502,789**

See accompanying notes forming part of the Standalone Financial Statements 1 to 41

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Indian Rupees, except share data and where otherwise stated)

a. **Equity Share Capital**
Equity shares of INR 2 each issued, subscribed and fully paid-up

As of 1 April 2017		Change in Equity share Capital during the year		As at 31 March, 2018	
Shares	Amount	Shares	Amount	Shares	Amount
124,589,015	249,178,030	6,708,300	13,416,600	131,297,315	262,594,630
As of 1 April 2018		**Change in Equity share Capital during the year**		**As at March 31, 2019**	
Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
131,297,315	262,594,630	22,613,062	45,226,124	153,910,377	307,820,754

b. **Other Equity**

Particulars	Share Application Money pending Allotment	Money received against warrants	Reserves and Surplus				Other Comprehensive Income	Total
			Capital reserve	Securities Premium	Share option outstanding account	Retained Earnings	Remeasurement of the net defined benefit plans	
As at 1 April 2017	35,880	70,501,200	5,431,250	444,503,513	1,486,502	(320,942,316)	(662,885)	200,353,144
Loss for the year	-	-	-	-	-	(119,217,971)	-	(119,217,971)
Other comprehensive income (Net)	-	-	-	-	-	-	(363,233)	(363,233)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(119,217,971)**	**(363,233)**	**(119,581,204)**
On account of amalgamation	-	-	-	-	-	200,248	-	200,248
Transfer on allotment of Equity Shares	654,211	-	-	-	-	-	-	654,211
Received on exercise of Stock options	-	-	-	1,767,120	-	-	-	1,767,120
Received on Issue of fresh shares	-	-	-	-	(216,114)	-	-	(216,114)
Issue of warrants	-	102,421,305	-	-	-	-	-	102,421,305
Conversion of warrants to equity shares	-	(136,561,740)	-	125,295,442	-	-	-	(11,266,298)
As at 31 March 2018	**690,091**	**36,360,765**	**5,431,250**	**571,566,075**	**1,270,388**	**(439,960,039)**	**(1,026,118)**	**174,332,412**
Loss for the year	-	-	-	-	-	(277,508,816)	-	(227,508,816)
Other comprehensive income (Net)	-	-	-	-	-	-	(5,345,647)	(5,345,647)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(227,508,816)**	**(5,345,647)**	**(232,854,463)**
Refund of share application money	(690,091)	-	-	-	-	-	-	(690,091)
Forfeiture of warrants	-	(3,256,157)	3,256,157	-	-	-	-	-
Issue of warrants	-	419,315,943	-	-	-	-	-	419,315,943
Issue of equity shares for acquisition (on swap basis)	-	-	-	210,112,000	-	-	-	210,112,000
Shares issued on account of amalgamation (refer note 40)	-	-	-	216,354,835	-	-	-	216,354,835
Transfer from share option outstanding account on exercise of stock options	-	-	-	786,096	(786,096)	-	-	-
Received on exercise of stock options	-	-	-	1,100,470	-	-	-	1,100,470
Amortised amount of share based payments to employees (net)	-	-	-	-	9,281,960	-	-	9,281,960
Issue of fresh equity shares on preferential basis	-	-	-	17,200,000	-	-	-	17,200,000
Conversion of equity warrants to equity shares	-	(232,418,422)	-	215,825,498	-	-	-	(16,592,924)
As at 31 March 2019	**-**	**220,002,129**	**8,687,407**	**1,232,944,974**	**9,766,252**	**(667,468,855)**	**(6,371,765)**	**797,560,142**

See accompanying notes forming part of the Standalone Financial Statements 1 to 41

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Place Hyderabad
Date 05 December 2019

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

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Jayaram Susarla
Chief Financial Officer

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

1 General Information

Moschip Technology Limited ('the Company') was incorporated in 1999 as a private limited company under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) in 2001. The Registered office of the Company is situated at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road No. 2, Banjara Hills, Hyderabad, Telangana 500034. which is its principal place of business. Oshine Global Pte Ltd is the holding Company and EIJI Holdings Pte Limited is the ultimate holding company of the Company.

The Company is engaged in to business of development and manufacture of System on Chip (SOC) technologies and Internet on Things (IoT).

Name of the Company has changed from MosChip Semiconductor Technology Limited to MosChip Technologies Limited with effective from 05 March 2019.

The Standalone Financial Statements for the year ended March 31, 2019 were approved by the Board of Directors and authorise for issue on 05 December, 2019.

2 Basis of preparation of financial statements

2.1 Statement of Compliance

These Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Preparation of financial statement

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

2.3 Functional currency

The Standalone Financial Statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets :

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within twelve months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities :

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets / liabilities include the current portion of non-current assets/ liabilities respectively. All other assets / liabilities are classified as non-current."

2.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:"

Contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

Investment in equity instruments of subsidiary companies

During the year, the Company assessed the investment in equity instrument of subsidiary companies carried at cost for impairment testing. These companies are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

2.6 Business Combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognized in statement of profit or loss as incurred. Good will is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

3 Significant accounting policies

3.1 Revenue recognition

The Company derives revenues primarily from business Information Technology Services comprising software development, consulting and related services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the consolidated statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

"Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.3 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

3.4 Foreign currencies

In preparing the Standalone Financial Statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

3.6 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for consolidated financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.7 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.8 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the income statement.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the income statement as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Useful lives of depreciable assets *	**Useful Life**
Mask Tools	5
Electrical Installation	10
Leasehold improvements	6
Lab Equipment's	5
Plant and Machinery	5
Furniture and fixtures	10
Office equipment's	5
Computers	3
Vehicles	10
Other Intangible assets	3

Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation is charged on a proportionate basis for all property, plant and equipment purchased and sold during the year.

3.9 Goodwill and other intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units(or group of cash-generating units) that is expected to benefit from the synergies of the combinations.

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, is capitalized as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognized as expense as incurred. The capitalized costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised on straight line basis over a period of three years.

3.10 Inventories

Components and parts:

Components and parts are valued at lower of cost or net realizable value. Cost is determined on First-In-First Out basis.

Finished Goods:

Finished goods are valued at the lower of the cost or net realisable value. Cost is determined on First-In-First Out basis.

Projects in Progress / Work in Progress:

Hardware equipment and other items are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis. Cost includes material cost, freight and other incidental expenses incurred in bringing the inventory to the present location / condition.

3.11 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a 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. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

3.13 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the consolidated income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.14 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the consolidated statement of profit and loss in the period in which they arise.

3.15 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.16 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.17 Financial instruments

a Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– Amortised cost;

– Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– How the performance of the portfolio is evaluated and reported to the Company's management;

– The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features)."

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss."

c Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

d Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.18 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

4 Property, plant and equipment

Particulars	Mask Tools	Electrical Installation	Leasehold improvements	Lab Equipment's	Plant and Machinery	Furniture and fixtures	Office equipment's	Computers	Vehicles	Total Tangible Assets	Capital work in-progress
Cost											
At April 1, 2017	-	148,126	685,456	442,430	36,152	266,231	711,551	2,212,137	273	4,502,355	-
Additions / (Transfer)	147,909,544	-	-	1,640,667	-	588,652	551,912	1,730,737	-	152,421,512	17,640,013
Less: Deletions	-	-	-	-	-	-	-	-	-		
At 31 March 2018	**147,909,544**	**148,126**	**685,456**	**2,083,097**	**36,152**	**854,882**	**1,263,463**	**3,942,874**	**273**	**156,923,867**	**17,640,013**
Additions / (Transfer)	-	-	11,585,897	69,630	56,786	3,111,836	3,887,138	2,071,706	2,556,198	23,339,191	(17,640,013)
Additions on Amalgamation (refer note 40)	-	299,899	-	-	1,479,059	1,677,231	-	1,331,072	2,699,924	7,487,185	-
Less: Deletions	-	-	1,358,809	2,200	-	874,971	374,810	232,034	-	2,842,824	-
At 31 March 2019	**147,909,544**	**448,025**	**10,912,544**	**2,150,527**	**1,571,997**	**4,768,978**	**4,775,791**	**7,113,618**	**5,256,395**	**184,907,418**	**-**
Accumulated depreciation											
At April 1, 2017	-	145,273	342,728	61,972	13,799	101,537	59,973	570,281	273	1,295,836	-
Charge for the year	14,831,477	2,853	342,728	244,666	2,945	217,686	238,258	1,345,754	-	17,226,367	-
Less: Deletions	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	**14,831,477**	**148,126**	**685,126**	**306,638**	**16,744**	**319,223**	**298,231**	**1,916,035**	**273**	**18,522,203**	**-**
Charge for the year	29,581,910	299,899	12,500,301	418,912	1,072,888	3,658,476	2,724,514	3,149,938	556,326	53,963,164	-
Less: Deletions	-	-	3,358,809	2,200	-	1,141,988	374,810	232,036	-	5,109,843	-
At 31 March 2019	**44,413,387**	**448,025**	**9,826,947**	**723,350**	**1,089,632**	**2,835,711**	**2,647,935**	**4,833,937**	**556,599**	**67,375,524**	
Carrying amount											
At 31 March, 2017	-	2,853	342,728	380,458	22,353	164,694	651,578	1,641,856	-	3,206,519	-
At 31March 2018	133,078,067	-	-	1,776,459	19,408	535,659	965,232	2,026,839	-	138,401,664	17,640,013
At 31 March 2019	103,496,157	-	1,085,596	1,427,176	482,365	1,933,267	2,127,856	2,279,681	4,699,796	177,531,895	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

5 Intangible assets

Particulars	Design & Development	Software	Total Intangible assets	Intangible assets under development
Cost				
At April 2017	-	700,699	700,699	21,882,582
Additions / (Transfer)	29,521,240	-	29,521,240	(10,504,242)
Less : Deletions	-	-	-	-
At 31 March 2018	**29,521,240**	**700,699**	**30,221,939**	**11,378,340**
Additions / (Transfer)	11,378,340		11,378,340	(11,378,340)
Less : Deletions			-	-
At 31 March 31 2019	**40,899,581**	**700,699**	**41,600,279**	**-**
Accumulated amortisation				**-**
At 1 April 2017	-	302,656	302,656	-
Charge for the year	3,756,906	-	3,756,906	-
At 31 March 2018	**3,756,906**	**302,656**	**4,059,562**	**-**
Charge for the year	10,025,060	84,404	10,109,464	
At 31 March 2019	**13,781,966**	**387,060**	**14,169,026**	
Carrying amount				
At 1 April 2017	-	398,043	398,043	21,882,582
At 31 March 2018	25,764,334	398,043	26,162,377	11,378,340
At 31 March 2019	**27,117,614**	**313,639**	**27,431,253**	**-**

5a Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Yea ended 31 March 2018
Desprecition	53,963,164	17,226,367
Amortisation	10,109,464	3,756,906
Total	**64,072,628**	**20,983,273**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
6 Investments		
Non-current		
Carried at cost		
Unquoted equity shares		
Investments in subsidiaries		
8,325,770 (March 31, 2018: 8,325,770) equity shares in Moschip Technologies, USA	956,989	956,989
10,000 (March 31, 2018: 10,000) equity shares of ₹10 each in Maven Systems Private Limited	56,800,000	56,800,000
6,076,075 (March 31,2018:Nil) units in Gigacom Semiconductor, LLC USA	261,096,034	-
10,000 (March 31,2018: Nil) equity share of Rs.10 each in MosChip Institute of Silicon System Private Limited System Private Limited	20,000,000	-
	338,853,023	**57,756,989**
7 Inventories*		
Inventories consist of the following :		
Hardware and Product Component for IoT	3,035,873	44,358,128
	3,035,873	**44,358,128**
*Inventories are carried at the lower of cost and net realisable value		
8 Trade receivables		
Non Current		
Unsecured, considered good	51,622,140	48,423,963
	51,622,140	**48,423,963**
Less: Allowance	-	-
	51,622,140	**48,423,963**
Current		
Unsecured, considered good	447,638,017	388,523,356
	447,638,017	**388,523,356**
Less : Allowance	(40,000,000)	(40,000,000)
	407,638,017	**348,523,356**
9 (a) Cash and bank balance		
Cash and cash equivalents		
Balance with banks:		
- in Current account	6,080,959	2,404,789
- in Deposit account	9,358,471	500,000
Fund in Transit	-	2,598,000
	15,439,430	**5,502,789**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
9. (b) Other bank balance		
Term deposit with Banks with original maturities of less than 1 year*	2,167,536	24,150,339
	2,167,536	**24,150,339**
*Balance held as Margin Money/ Security towards obtaining Bank Guarantees		
10. Loans - current		
Unsecured, considered good		
Security deposits	98,314,740	68,371,816
Loans to subsidiaries (refer note 29)	183,751,738	141,905,835
	282,066,478	**210,277,651**
11. Other current financial assets		
Unsecured, considered good		
Earnest Money Deposits	1,381,521	3,881,521
Interest accrued on deposits	115,535	173,490
	1,497,056	**4,055,011**
12. Other current assets		
Unsecured, considered good		
Advances to employees	171,957	568,786
Balances with Government Authorities*	4,238,203	4,238,203
Indirect tax recoverable	984,122	6,445,291
Advance to Vendors	4,321,296	8,543,848
Prepaid expenses	9,148,797	4,718,794
Un-billed revenue	28,420,914	843,210
	47,285,289	**25,358,132**
* Mainly pertains to Service Tax		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
13. Equity share capital		
Authorised Share Capital		
282,705,000 (March 31,2018:275,155,000) equity shares of Rs.2/- each	565,410,000	550,310,000
Issued, subscribed and fully paid-up		
147,249,777 (March 31,2018: 131,576,815) equity shares of Rs. 2/- each fully paid - up	294,499,554	263,153,630
6,899,070 (March 31, 2018: Nil) equity shares of Rs.2/- each fully paid-up to the members of transferor Companies (refer note (g))	13,798,140	
Less : 238,470 (March 31,2018:279,500) equity shares Rs. 2/- each fully paid - up issued to MosChip ESOP Trust but not allotted to employees.	476,940	559,000
Adjusted : Issued, subscribed and fully paid-up	**307,820,754**	**262,594,630**

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

Particulars	31 March 2019		31 March 2018	
	No. of equity shares	**Amount**	**No. of equity shares**	**Amount**
Outstanding at the beginning of the year	131,576,815	263,153,630	124,868,515	249,737,030
Issued during the year	15,672,962	31,345,924	6,708,300	13,416,600
Share issued on account of amalgamation (refer note 40)	6,899,070	13,798,140	-	-
Total	154,148,847	308,297,694	131,576,815	263,153,630
Less: Equity shares of Rs. 2/- each fully paid -up issued to MosChip ESOP Trust but not allotted to employees.	238,470	476,940	279,500	559,000
Outstanding at the end of the year	153,910,377	307,820,754	131,297,315	262,594,630

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2019		31 March 2018	
	No. of equity shares held	**% holding**	**No. of equity shares held**	**% holding**
Oshine Global Pte Ltd	81,531,739	52.89%	74,457,499	57.35%
EIJI Holdings Pte Limited (Ultimate holding Company)	196,000	0.13%	-	-

(d) Of the above issued shares 81,531,739 (31 March 2018 - 74,457,499) equity shares held by holding company namely Oshine Global Ptc Ltd and 196,000 (31 March 2018 - Nil) equity share are held by Ultimate holding Company namely EIJI Holding Pte Limited.

(e) Of the above, 13,599,070 equity shares issued as fully paid for consideration other than cash in connection with acquisition of subsidiary and scheme of arrangements.

(f) As on 31 March 2019, the Company has 7,999,999 outstanding warrants issued on preferential basis entitling the holders for equal number of equity shares up on conversion.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

(g) During the year two companies namely "First Pass Semiconductors Private Limited" (FPS) and "Gigacom Semiconductor Private Limited" (GSPL) are amalgamated in to the Company under the Scheme of arrangement for amalgamation duly approved by Honourable National Company Law Tribunal (NCLT), Hyderabad bench and certified true copy of the order is obtained on 05 December, 2019 and National Company Law Tribunal, Amaravathi bench vide its order dated 03 December, 2019 with the appointed date is 01 April 2018. The Scheme came into effect on 05 December 2019, the day on which both the orders were delivered to the Registrar of the Companies.

Pursuant to the order of NCLT, towards discharge of purchase consideration, the Company is under obligation to allot 6,899,070 equity shares of Rs.2/- each fully paid to the equity members of GSPL and FPS. The shares stand issued and are to be allotted to the members of GSPL and FPS. Pending allotment of these shares of Rs.2/- each fully paidup issued as per terms of the Scheme of arrangement for amalgamation.

	As at 31 March 2019	As at 31 March 2018
14 Other equity		
a) Share application money		
Opening balance	690,091	35,880
Refund of share application money	(690,091)	654,211
Closing balance	**-**	**690,091**
b) Money received against warrants		
Opening balance	36,360,765	70,501,200
Forfeiture of Warrants	(3,256,157)	-
Issue of share warrants	419,315,943	102,421,305
Conversion of warrants to equity shares	(232,418,422)	(136,561,740)
Closing balance	**220,002,129**	**36,360,765**
c) Capital Reserve		
Opening balance	5,431,250	5,431,250
Forfeiture of warrants	3,256,157	-
Closing balance	**8,687,407**	**5,431,250**
d) Securities Premium		
Opening balance	571,566,075	444,503,513
Conversion of warrants to equity shares	215,825,498	125,295,442
Issue of equity shares for acquisitions (on swap basis)	210,112,000	-
Share issued on account of amalgamation (refer note 40)	216,354,835	-
Transfer from share option outstanding account on exercise of stock option	786,096	-
Issue of fresh equity shares on preferential basis	17,200,000	-
Received on exercise of stock option	1,100,470	1,767,120
Closing balance	**1,232,944,974**	**571,566,075**
(i) Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.		
(ii) Securities Premium includes share premium at Rs.31.36 per equity share on 6,899,070 equity shares issued to the member of GSPL and FPS under the scheme of arrangement for amalgamation approved by NCLT.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
e) Share option outstanding account		
Opening balance	1,270,388	1,486,502
Additions during the year	9,281,960	(216,114)
Transfer from share option outstanding account on exercise of stock option	(786,096)	-
Closing balance	**9,766,252**	**1,270,388**
f) Retained earnings		
Opening balance	(439,960,039)	(320,942,316)
Add : Additions on account of Amalgamation	-	200,248
Loss for the year	(277,508,816)	(119,217,971)
Closing balance	**(667,468,855)**	**(439,960,039)**
g) Other Comprehensive Income		
Re measurement of the net defined benefit plans		
Opening balance	(1,026,118)	(662,885)
Additions during the year	(5,345,647)	(363,233)
Closing balance	**(6,371,765)**	**(1,026,118)**
Total other equity	**797,560,142**	**174,332,412**
15 Provisions		
Non-Current		
Provision for employee benefits		
- Gratuity (refer note 32)	18,484,161	6,177,019
- Compensated absences	8,191,328	3,263,614
	26,675,489	**9,440,633**
Current		
Provision for employee benefits		
- Gratuity (refer note 32)	1,180,208	116,773
- Compensated absences	3,825,095	1,694,130
	5,005,303	**1,810,903**
16 Other financial liabilities		
Non Current		
Royalty Payable	37,584,034	-
	37,584,034	**-**
Current		
Interest accrued		
Capital creditors	28,236,472	19,403,611
	777,938	2,296,027
	29,014,410	**21,699,638**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
17 Borrowings		
Non Current - Borrowings		
Measured at amortised cost		
Secured		
Vehicle loans (refer note i)	2,003,892	-
	2,003,892	**-**
Current - Borrowings		
Measured at amortised cost		
Unsecured		
- From banks (refer note ii)	152,057,900	129,060,942
- From related parties (refer note 29)	270,449,481	420,449,481
	422,507,381	**549,510,423**
Note A		
i. Vehicle loans are secured by first charge and hypothecation of vehicles. Such loans are repayable over a period of 84 months with the rate of interest at 9.40%		
ii. The Company has obtained Over Draft facility from bank for an amount of Rs.15.00 crores, which is secured by charge on time deposit of third party offered as collateral security.		
18 Trade payables		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues other than (a) above	142,008,386	145,106,634
	142,008,386	**145106,634**
19 Other current liabilities		
Statutory liabilities `	26,124,257	37,670,943
Revenue received in advance	1,235,231	-
	27,359,488	**37,670,943**

NOTES FORMING PART OF THE
STANDALONE FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
20	**Revenue from operations**		
	IoT Business product	129,041,324	214,435,627
	Semiconductor Services and Products	457,865,871	241,150,706
		586,907,195	**455,586,333**
21	**Other income**		
	Interest income	15,697,858	10,463,364
	Interest on Income-tax refund	169,212	415,741
	Foreign Exchange Fluctuation	8,532,525	1,442,170
	Profit on sale of property, plant and equipment, net	-	58,200
	Others	4,130,250	850,000
		28,529,845	**13,229,475**
22	**Cost of material consumed**		
	Opening stock	38,511,743	-
	Add: Purchases during the year	32,967,094	176,343,617
	Less: Closing stock	3,035,873	38,511,743
		68,442,964	**137,831,874**
23	**Changes in inventories of finished goods**		
	Opening stock	5,846,385	-
	Closing stock	-	5,846,385
		5,846,385	**(5,846,385)**
24	**Other operating expenses**		
	Outsourcing Services	46,183,932	19,471,133
	Software Expenses	5,997,608	5,718,654
	Installation & data charges	6,945,154	14,893,009
	Job work charges	8,485,420	7,236,317
	Other expenses	1,086,389	2,774,562
		68,698,503	**50,093,675**
25	**Employee benefits expense**		
	Salaries, wages and bonus	475,526,260	240,291,639
	Contribution to provident and other funds	8,096,874	6,575,804
	Share based payment expenses	9,281,960	1,046,189
	Staff welfare expenses	10,637,059	8,483,621
		503,542,153	**256,397,253**
26	**Finance costs**		
	Interest on working capital loan	13,036,269	12,954,967
	Interest on other loans	32,821,232	39,532,572
	Bank charges	451,655	467,869
		46,309,156	**52,955,408**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
27 Other expenses		
Software expenses	1,266,518	263,478
Power and fuel	4,772,482	3,177,429
Director sitting fee	1,870,000	655,000
Repairs and maintenance	985,021	657,589
Auditors Remuneration (refer note 31)	300,371	360,200
Postage, Telegram and Telephone Expenses	955,681	1,291,951
Lease rentals (refer note 34)	22,563,247	20,875,835
Rent on Equipments's	2,876,335	5,064,793
Business promotion and advertisement expenses	5,733,029	3,961,691
Security expenses	1,115,545	1,212,606
Travelling and conveyance	8,173,296	11,396,393
Rates and taxes	1,179,736	1,148,951
Professional charges	15,780,510	13,391,618
Printing and stationary	356,677	300,071
Communication expenses	1,056,298	1,167,245
Insurance	820,880	123,028
Loss on sale of fixed assets	653,439	-
Office maintenance	4,941,746	3,923,631
General Expenses	8,037,195	3,532,104
Bad debts written off	2,596,060	3,115,068
	86,034,067	**75,618,681**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

28 Contingent liabilities and commitments

Particulars	As at 31 March 19	As at 31 March 18
i) Contingent liabilities:		
- Corporate guarantees	2,167,536	24,150,207
ii) Commitments:		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	Nil	6,211,901

29 Related party disclosures

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the Related party	Relation as on 31 March 2019
EIJI Holding Pte Limited	Ultimate Holding Company
Oshin Global Pte Limited	Holding Company
Maven Systems Private Limited	Wholly owned subsidiary
MosChip Technologies, USA	Wholly owned subsidiary
MosChip Institute of Silicon Systems Private Limited	Wholly owned subsidiary (wef 14 September 2018)
Gigacom Semiconductor, LLC	Wholly owned subsidiary (wef 18 October 2018)
Directors and relatives *	
Jaagruthi Info Technologies Pvt Ltd	Director has significant influence
IQuest Enterprises Private Limited	Common Shareholder through Holding Company
Mapple Enterprises Private Limited	Common Shareholder through Holding Company
Techwave Consulting Inc, USA	Director has significant influence
Techwave Infotech Private Limited	Director has significant influence
Magica Sports Ventures Private Limited	Common Director in Holding company and Magica Sports
Mr. Venkata Sudhakar Simhadri	Managing Director and CEO ** / KMP
Mrs. Srilakshmi Simhadri	Relative of Managing Director and CEO
Mr. K Ramachandra Reddy	Non-Executive Director.
Mr. Raja Praturi	Non-Executive Director
Mrs. Asha Nimmagadda	Relative of Promoter of Holding company
Mr. Gunapati Venkata Pranav Reddy	Relative of Promoter of Holding company
Mr. Damodar Rao Gummadapu	Non-Executive Director.
Mr. Jayaram Susarla	CFO
Mr. Suresh Bachalakura	Company Secretary
* The above list represents only the directors and relatives, who are having transactions with the company	
** Appointed as CEO on 24 July 2018 and appointed as Managing Director on 26 October 2018	
As per clause 8 of general instruction to Division II of Schedule III to the Companies Act., the above related parties are identified as per the terms and meaning assigned in Ind AS 24 Related Party Disclosures.	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

b) Details of all transactions with related parties during the year:

Particulars	Year ended 31 March 19	Year ended 31 March 18
Revenue from operations		
MosChip Technologies, USA	42,716,684	40,740,491
Maven Systems Private Limited	39,267,073	8,334,682
Reimbursement of expenses		
MosChip Technologies, USA	418,910	1,395,880
Maven Systems Private Limited	343,647	1,540,678
Professional Charges		
Maven Systems Private Limited	18,087,771	-
MosChip Institute of Silicon Systems Private Limited	3,750,000	-
Loans received from		
IQuest Enterprises Private Limited	45,000,000	222,500,000
Jaagruthi Info Technologies Private Limited	-	100,000,000
Techwave Infotech Private Limited	-	55,000,000
Mapple Enterprises Private Limited	40,000,000	-
Allotment of equity shares / warrants		
EIJI Holding Pte Limited (196,000 equity shares @ 45)	8,820,000	-
Oshin Global Pte Limited (6,074,240 equity shares @ 21.8)	132,418,432	-
Mr. Damodar Rao Gummadapu (204,000 equity shares@ 45)	9,180,000	-
Mr. Venkata Sudhakar Simhadri (Preferential allotment) (4,516,634 equity shares @ 33.36) ##	150,674,910	-
Mrs. Srilakshmi Simhadri (84,349 equity shares @ 33.36) ##	2,813,883	-
Mr. K Ramachandra Reddy (Preferential allotment) (3,555,555 Warrants @ 45)	159,999,975	-
Loans - Repayment		
Jaagruthi Info Technologies Private Limited	50,000,000	-
Mapple Enterprises Private Limited	20,000,000	-
IQuest Enterprises Private Limited	45,000,000	-
Techwave Infotech Private Limited	10,000,000	-
Mr. K Ramachandra Reddy	120,000,000	-
Loans given to		
Maven Systems Private Limited (net)	41,845,903	88,270,000
Interest Income		
Maven Systems Private Limited	14,721,574	8,942,851
Investment in equity		
MosChip Institute of Silicon Systems Private Limited	20,000,000	-
Interest expenses		
IQuest Enterprises Private Limited	11,878,767	9,196,851
Jaagruthi Info Technologies Private Limited	7,890,408	12,472,602
Techwave Infotech Private Limited	-	1,390,767
Ms. Asha Nimmagadda	9,000,002	10,154,188
Mapple Enterprises Private Limited	4,052,055	-
Expenses		
Magica Sports Ventures Private Limited	5,800,000	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

Remuneration	Year ended 31 March 19	Year ended 31 March 2018
Mr. Gunapati Venkata Pranav Reddy	3,600,000	2,998,200
Transactions with Directors		
Remuneration to Whole time Director and CEO	12,510,593	1,083,333
Interest Payable on loan given by Whole time Director and CEO	-	7,551,566
Number of Stock Options Granted/outstanding to Directors	1,000,000	-
Transactions with Key Management Personal		
Remuneration to Key Management Personal	5,802,778	2,612,709
Number of Stock Options Granted/outstanding to Key Management Personal	27,000	20,000
## The Company has allotted shares as part of acquisition of Gigacom Semiconductor, LLC		
Remuneration disclosed above does not include insurance and other employee benefits (Gratuity and compensated absences). Gratuity and compensated absences is accrued in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.		

c) Balances outstanding:

Particulars	As at 31 March 19	As at 31 March 18
Techwave Infotech Private Limited (Payable - trade advance)	47,882,682	58,981,293
MosChip Semiconductor Technology, USA (Receivables)	154,385,805	126,695,916
MosChip Institute of Silicon Systems Private Limited (Payable)	230,000	-
Gigacom Semiconductor LLC, USA (Receivables)	13,859,564	-
Maven Systems Private Limited (Receivables)	235,415,468	153,384,496
Jaagruthi Infotech Private Limited (Interest Payable)	7,101,371	5,706,246
IQuest Enterprises Private Limited (Interest Payable)	2,442,741	8,277,166
Techwave Infotech Private Limited (Interest Payable)	1,381,293	-
Mapple Enterprises Private Limited (Interest Payable)	5,172,163	-
Ms. Asha Nimmagadda (Interest payable)	12,138,904	4,038,906
Magica Sports Ventures Private Limited (Trade payable)	5,800,000	-
Srinivasa Resorts Limited	186,517	-
Loan outstanding		
Mapple Enterprises Private Limited	180,000,000	-
Jaagruthi Infotech Private Limited	50,000,000	100,000,000
IQuest Enterprises Private Limited	-	160,000,000
Mr. K Ramachandra Reddy, Director	40,449,481	160,449,481

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts in Indian Rupees, except share data and where otherwise stated)

30 Segment information

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the management evaluates the Companies performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented as per business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies. Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Certain expenses such as depreciation, stock compensation cost and finance cost, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the operating income of the Group. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the decision maker, in deciding how to allocate resources and assessing performance. The Companies' decision maker is the Chief Executive Officer. The Company has identified business segments as reportable segments. Accordingly, Semiconductor division Business and IoT Business has been disclosed as business segments. The Company operates and its revenues are majorly derived from only one Geography and hence information relating to geography segment is not applicable / disclosed.

Segregation of assets (except for specific assets), liabilities (except for specific segment liabilities), depreciation and other non-cash expenses into various business segments has not been done as the assets are used interchangeably between segments and the Company is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful

A **Business Segment**

	Year ended 31 March 2019	**Year ended 31 March 2018**
Revenue		
Semiconductor services	457,865,871	214,435,627
IoT	129,041,324	241,150,706
Total	**586,907,195**	**455,586,333**
Direct cost		
Semiconductor services	444,797,355	242,178,958
IoT	152,669,896	177,731,168
Segment operational income		
Semiconductor services	13,068,516	(27,743,331)
IoT	(23,628,572)	63,419,538
Total Operational income	**(10,560,056)**	**35,676,207**
Other Income	(28,529,845)	(13,229,475)
Less - Un allocated expenses	135,096,821	94,184,972
Finance charges	46,309,156	52,955,408
Depreciation and Amortisation expenses	64,072,628	20,983,273
Loss before tax	**(227,508,816)**	**(119,217,971)**
Tax expenses	-	-
Loss after tax	**(227,508,816)**	**(119,217,971)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

Statement of Segment assets and Segment liabilities

	As at 31 March 2019	As at 31 March 2018
Segment assets		
Semiconductor services	996,605,034	498,561,373
IoT	733,393,150	628,337,781
Un allocable segment assets	67,541,095	75,267,062
Total	**1,797,539,279**	**1,202,166,216**
Segment Liabilities		
Semiconductor	84,316,763	10,337,000
IoT	15,892,481	65,084,000
Un allocable segment Liabilities	591,949,139	689,818,174
Total	**692,158,383**	**765,239,174**
Capital employed	**1,105,380,896**	**436,927,042**

The Company has identified Semiconductor and IOT as business segments for purpose of reporting. Business segments are identified based on the quantitative-thresholds and also based on management internal review process.

31 Auditors' remuneration

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit fee	250,000	212,500
Other services	50,371	147,700
Total	**300,371**	**360,200**

32 Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 2,000,000.The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	**8,575,326**	**6,762,714**
Add: Additions on account of amalgamation (refer note 40)	3,269,548	-
Service cost	6,043,677	1,873,917
Interest cost	1,045,547	452,986
Past Service Cost	-	-
Benefits paid	(2,007,520)	-
Actuarial gain	5,265,597	(514,291)
Closing balance	**22,192,175**	**8,575,326**
Present value of projected benefit obligation at the end of the year	22,192,174	8,575,326
Fair value of plan assets at the end of the year	2,527,805	2,281,534
Net liability recognised in the balance sheet	19,664,369	6,293,792
Non Current provision	18,484,161	6,177,019
Current provision	1,180,208	116,773

(All amounts in Indian Rupees, except share data and where otherwise stated)

Expenses recognised in statement of profit and loss	Year ended 31 March 2019	Year ended 31 March 2018
Service cost	6,043,677	1,873,917
Interest cost	1,045,547	452,986
Total expenses routed through statement of profit and loss	**7,089,224**	**2,326,903**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes	(5,031)	413,036
Actuarial gain / (loss) due to financial assumption changes	840,635	163,159
Actuarial gain / (loss) due to experience adjustments	4,429,993	(61,904)
Return on plan assets greater / (less) than discount rate	80,050	(151,058)
Total expenses routed through OCI	**5,345,647**	**363,233**

Assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	7.10%	7.60%
Future salary increases	7.00%	7.00%
Employee turnover	13.00%	13.00%

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

	As at 31 March 2019	As at 31 March 2018
Effect of + 1% change in rate of discounting	(4.00)%	(7.90)%
Effect of - 1% change in rate of discounting	3.76%	6.96%
Effect of + 1% change in rate of salary increase	(3.09)%	(5.68)%
Effect of - 1% change in rate of salary increase	3.23%	6.22%

The sensitivity results above determine their individual impact on Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

33 Dues to Micro, small and medium enterprises

The Company sought the information from all the suppliers, based on the information available with the Company, there are no outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006", hence there is not reportable as required as per Sec 22(I) to (vi) of the MSMED Act, 2006 read with Schedule III of Companies Act, 2013.

33 Leases

Where the Company is a lessee:

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from one to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 15%.

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	3,250,000
Later than 5 years	-	-

(All amounts in Indian Rupees, except share data and where otherwise stated)

ii) Amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cancellable lease expense	22,563,247	20,875,835
Non - cancellable lease expense	-	-
Total	**22,563,247**	**20,875,835**

35 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Loss for the year	(227,508,816)	(119,217,971)
Loss attributable to equity share holders	**(227,508,816)**	**(119,217,971)**
Equity Shares outstanding as at the end of the year (in nos.)	154,148,847	131,576,815
Weighted average number of Equity Shares used as a denominator for calculating Basic Earnings Per Share	148,386,521	125,906,589
Add: Dilutive impact of employee stock options	2,062,978	6,671,700
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	150,449,499	132,578,289
Earnings per share of par value ₹ 2 – *Basic (₹)*	*(1.53)*	*(0.95)*
Earnings per share of par value ₹ 2 – Diluted (₹)	*(1.51)*	*(0.89)*

36 Deferred Tax

Computation of Deferred Tax	Year ended 31 March 19	Year ended 31 March 18
Opening Balance	**902,723**	**-**
On account of amalgamation (refer note 40)	(590,042)	-
On Depreciation	-	(42,020)
Disallowance on account of non payment of TDS	-	36,020
43B Disallowance	-	908,723
Net Deferred Tax Asset / (Liability)	**312,681**	**902,723**

The following is the analysis of Deferred Tax Assets presented in the Balance Sheet:

Particulars	As At 31 March 2019	As At 1 April 2018
Deferred Tax Asset	312,681	902,723
Deferred Tax Liabilities	-	-
Deferred Tax Assets (Net)	**312,681**	**902,723**

(All amounts in Indian Rupees, except share data and where otherwise stated)

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Particulars	For the year ended 31 March 2019			
	Opening Balance	On account of amalgamation	Recognized in OCI	Closing Balance
Employee Benefits	-	-	-	-
Depreciation	-	-	-	-
Provisions	-	-	-	-
Other Items*	902,723	(590,042)	-	312,681
Net Deferred Tax Asset	**902,723**	**(590,042)**	**-**	**312,681**

* Other Items include Opening Balance of Deferred Tax Assets of amalgamating companies

37 Employee Stock Option Plans

The establishment of the MosChip Technologies Limited "MosChip Stock Option Plan 2008" was approved by shareholders at the 2008 annual general meeting. The Employee Option Plan is designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The Company has established ten schemes i.e., Employee Stock Option Plan, MosChip Stock Option Plan 2001, MosChip Stock Option Plan 2002, MosChip Stock Option Plan 2004, MosChip Stock Option Plan 2005 (MI), MosChip Stock Option Plan 2005 (WOS), MosChip Stock Option Plan 2008, MosChip Stock Option Plan 2008(ALR), MosChip Stock Option Plan 2008(Director) and MosChip Stock Option Plan 2018 with 600,000 equity shares, 300,000 equity shares, 700,000 equity shares, 1,000,000 equity shares, 500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares and 10,000,000 equity shares respectively.

During the financial year 2018-19, the Company has closed the following schemes:

(i) MosChip Stock Option Plan - 2001

(ii) MosChip Stock Option Plan - 2002

(iii) MosChip Stock Option Plan - 2004

Out of above plans the Company has granted options during the year ended 31 March 2019 in Moschip Stock Option Plan 2005 (MI) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2008 (ALR), Moschip Stock Option Plan 2008 (Director)

Once vested, the options remain exercisable for a period of three / four years. When exercisable, each option is convertible into one equity share. The exercise price of the options is based on the previous day closing rate on which options are granted which the company's shares are traded on the stock exchange during the previous day.

Set out below is a summary of options granted under the plan:

	For Year Ended 31 March 2019				
Particulars	MosChip Stock Option Plan 2008	MosChip Stock Option 2005 (MI)	MosChip Stock Option 2005 (WOS)	MosChip Stock Option 2008 (ALR)	MosChip Stock Option 2008 (Director)
Options Outstanding at the beginning of the Year	698,000	-	-	-	-
Granted during the year	1,475,000	400,000	313,000	1,011,000	1,000,000
Forfeited during the year	147,500	-	5,000	125,000	-
Exercised during the year	276,500	-	-	-	-
Vested and not exercisable	-	-	-	-	-
Outstanding at the end of the year	1,749,000	400,000	308,000	886,000	1,000,000

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2019 was INR 22.49 (31 March 2018 – INR 2.84).

(All amounts in Indian Rupees, except share data and where otherwise stated)

Share options outstanding at the end of the year have the following expiry date and exercise prices

	31 Mar 2019		31 Mar 2018
Grant date	26-Oct-18	12-Aug-15	12-Aug-15
Expiry date	25-Oct-25	11-Aug-22	11-Aug-22
Excise price	₹ 18.00	₹ 5.98	₹ 5.98
Share options	4,001,000	342,000	698,000

The fair value at grant date of options granted during the year ended 31 March 2019 was INR 7.01 per option for one year, INR 9.62 per option for two years, INR 11.96 per option for three years and INR 13.34 for four year schemes (31 March 2018 was INR 3.09 per option for three year). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2019 included:

	31 Mar 2019		31 Mar 2018
Grant Date	26-Oct-18	12-Aug-15	12-Aug-15
Expiry Date	25-Oct-25	11-Aug-22	11-Aug-22
Excise Price	₹ 18.00	₹ 5.98	₹ 5.98
Share Price at Grant date	₹ 22.00	₹ 5.98	₹ 5.98
Expected price volatility of the company's shares	44.23%	71.60%	71.60%
Expected dividend yield	-	-	-
Risk free interest rate	8.14%	6.60%	6.60%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(All amounts in Indian Rupees, except share data and where otherwise stated)

38 Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.17 to the standalone financial statements.

a. Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total carrying value
Financial asset				
Investment	-	-	338,853,023	338,853,023
Trade receivables - Non current	51,622,140	-	-	51,622,140
Trade receivables	-	-	407,638,017	407,638,017
Cash and cash equivalents	-	-	15,439,430	15,439,430
Other bank balances	-	-	2,167,536	2,167,536
Loans	-	-	282,066,478	282,066,478
Other financial assets	-	-	1,497,056	1,497,056
Total	**51,622,140**	**-**	**1,047,661,540**	**1,099,283,680**
Financial liabilities				
Borrowings - long term	-	-	2,003,892	2,003,892
Borrowings - short term	-	-	422,507,381	422,507,381
Other	-	-	37,584,034	37,584,034
Trade payables	-	-	142,008,386	142,008,386
Other financial liabilities	-	-	29,014,410	29,014,410
Total	**-**	**-**	**633,118,103**	**633,118,103**

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total carrying value
Financial asset				
Investments	-	-	57,756,989	57,756,989
Trade receivables - Non current	48,423,963	-	-	48,423,963
Trade receivables	-	-	348,523,356	348,523,356
Cash and cash equivalents	-	-	5,502,789	5,502,789
Other bank balances	-	-	24,150,339	24,150,339
Loans	-	-	210,277,651	210,277,651
Other financial assets	-	-	4,055,011	4,055,011
Total	**48,423,963**	**-**	**650,266,135**	**698,690,098**
Financial liabilities				
Borrowings	-	-	549,510,423	549,510,423
Trade payables	-	-	145,106,634	145,106,634
Other financial liabilities	-	-	21,699,638	21,699,638
Total	**-**	**-**	**716,316,695**	**716,316,695**

(All amounts in Indian Rupees, except share data and where otherwise stated)

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations.

The Company's principal financial assets include trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

b. Financial risk management objectives and policies

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analyses have been prepared on the basis that the amount of net debt and the interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

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

	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2019		
INR	+1%	(3,470,686)
INR	-1%	3,470,686
March 31, 2018		
INR	+1%	(3,890,609)
INR	-1%	3,890,609

The Company's debt portfolio consists of short term fixed rate borrowings.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the management.

(All amounts in Indian Rupees, except share data and where otherwise stated)

Ind AS requires expected credit losses to be measured through a loss allowance based on historical collection pattern. During the previous year the Company started new line of business called IoT, which has contributed around 11% of the revenue for year 2018-19. Credit loss relating to this business couldn't be measured based on historical collection pattern. There is no major credit loss related to Semiconductor business.

However, the Company has provided for credit loss wherever required on review of exposure on case to case basis.

Concentration Risk

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks with high credit ratings assigned by credit rating agencies.

Trade receivable - During the previous year the Company has started new line of business IoT which consists of Smart Lighting. Smart Lighting business is a Government of India Initiative as a part of developing smart cities and energy saving by replacing normal street lights with LED lights. During the previous year the Company was awarded contracts relating to the supply of Central Command Monitoring Systems (CCMS) from KEONICS.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 1 year	1 to 3 years	3 to 5 years	>5 years	Total
Year ended March 31, 2019						
Borrowings - long term	-	333,982	1,001,946	667,964	-	2,003,892
Other Financial Liabilities - long term	-	9,396,009	9,396,009	9,396,009	9,396,009	37,584,034
Borrowings - short term	422,507,381	-	-	-	-	422,507,381
Trade payables	142,008,386	-	-	-	-	142,008,386
Other Financial Liabilities - short term	-	29,014,410	-	-	-	29,014,410
Year ended March 31, 2018						
Borrowings	549,510,423	-	-	-	-	549,510,423
Trade payables	145,106,634	-		-	-	145,106,634
Other Financial Liabilities	-	21,699,638	-	-	-	21,699,638

c. Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2019 and March 31, 2018 was as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Total equity attributable to the equity shareholders of the Company	1,105,380,896	436,927,042
As a percentage of total capital	72%	44%
Long term borrowings including current maturities	2,003,892	-
Short term borrowings	422,507,381	549,510,423
Total borrowings	424,511,273	549,510,423
As a percentage of total capital	28%	56%
Total capital (equity and borrowings)	1,529,892,169	986,437,465

(All amounts in Indian Rupees, except share data and where otherwise stated)

39 Goodwill

Following is the summary of changes in carrying amount of goodwill:

	Year ended 31 March 19	Year ended 31 March 18
Balance at the beginning of the year	210,086,123	210,086,123
On account of Amalgamation (refer note 40)	234,064,249	-
Impairment of Goodwill	-	-
Balance at the end of the year	**444,150,372**	**210,086,123**

Goodwill impairment testing has been carried out, the recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

The key assumptions used are as follows:

Budgeted Projections:

The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably

Budgeted gross margins:

Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements.

Price inflation:

The values assigned to the key assumption are consistent with external sources of information.

40 Disclosure pursuant to Ind AS 103 "Business Combinations"

i. The Board of Directors in their meeting held on 23rd July 2018 has approved the 100% acquisition of equity share capital of "First Pass Semiconductors Private Limited" (FPSPL) and "Gigacom Semiconductor Private Limited" (GSPL). Based on the terms of the acquisition as agreed upon between the parties, the Company has acquired 18.28% equity in FPSPL through cash consideration and remaining balance of equity in FSPL and 100% equity in GSPL though swap shares through a scheme of arrangement for amalgamation with effect from 1st April 2018.

ii. The Company, Pursuant to the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Honarable National Company Law Tribunal, Hyderabad bench wide its order dated 05 December, 2019 and National Company Law Tribunal, Amaravathi bench vide its order dated 03 December, 2019, acquired and merged into it, Gigacom Semiconductor Private Limited (GC India) and First Pass Semiconductor Private Limited (FPS) with effect from April 1, 2018 (the "appointed date"). The Scheme came into effect on 05 December, 2019, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of GC India and First Pass have been transferred to and vested in the Company with effect from April 1, 2018. In accordance with the Scheme, the investments held in First Pass has been extinguished and the Company has issued 4,568 equity shares of Rs. 2 each fully paid-up in respect of every 1,000 equity shares of Rs. 10 each in the equity share capital of First Pass and the Company has issued 2,234 equity shares of Rs. 2 each fully paid-up in respect of every 1,000 equity shares of Rs. 10 each in the equity share capital of GC India.

iii. This amalgamation is accounted under the 'Acquisition' method as per Indian Accounting Standard 103 Business Combinations. Applying the guidance under the standard, all assets acquired and liabilities assumed of GC India and FPS have been taken at the acquisition date fair values. The excess of the consideration transferred over the net assets acquired is recognised as goodwill.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees, except share data and where otherwise stated)

Accounting treatment of the Amalgamation

Particulars	FPS	GSPL	Total
No. of Equity shares	4,665,070	2,234,000	6,899,070
Issued price (face value - Rs. 2/- and premium - Rs. 31.26)	33.36	33.36	33.36
Value of equity shares issued by MosChip Technologies Limited pursuant to the scheme	155,626,735	74,526,240	230,152,975
Consideration paid in cash	47,012,700	-	47,012,700
Total Consideration * (A)	**202,639,435**	**74,526,240**	**277,165,675**
Assets acquired			
Fixed Assets (net)	5,682,818	1,804,367	7,487,185
Trade Receivables	27,035,036	7,579,422	34,614,458
Cash and cash equivalents	9,431,584	1,161,316	10,592,900
Loans and Advances (long term and short term)	10,055,398	1,165,366	11,220,764
Liabilities assumed			
Liabilities and provisions (long term and short term)	(12,808,820)	(5,686,767)	(18,495,587)
Long-Term and Short-Term Borrowings	(1,580,265)	(738,029)	(2,318,294)
Net Assets (B)	**37,815,751**	**5,285,675**	**43,101,426**
Goodwill on account of amalgamtion	**164,823,684**	**69,240,565**	**234,064,249**

* Excludes consideration allocated to deferred employee compensation of Rs. 33,100,000 recognized in statement of profit and loss account on proportionate basis over the service period.

41 Previous year figures have been regrouped wherever necessary, to correspond with the current period's clarification / disclosure.

As per our report of even date attached
For ST Mohite & Co.,
Chartered Accountants
ICAI Firm Reg.No. 011410S

For and on behalf of the Board
MosChip Technologies Limited
CIN : L31909TG1999PLC032184

Srinivasa Rao T Mohite
Partner
Membership No. 015635

Venkata Sudhakar Simhadri
Managing Director & CEO
DIN : 01883241

K. Ramachandra Reddy
Non Executive Director
DIN : 00042172

Place Hyderabad
Date 05 December 2019

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M.No. ACS 39381

NOTICE OF 20th ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of MosChip Technologies Limited (formerly known as MosChip Semiconductor Technology Limited) will be held on Monday, the 30th day of December 2019 at 10.30 a.m. at the State Gallery of Art Auditorium, Road No.1, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500 033, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2019 together with the reports of the Board of Directors and the Auditors thereon and in this regard to pass the following resolution as an Ordinary Resolution.

   “RESOLVED THAT the Audited Financial Statements of the Company for the year ended 31st March, 2019 together with the reports of the Auditors and Directors thereon and the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2019 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted.”

2. 2.To appoint a Director in place of Mr. Raja Praturi (DIN: 01819707), who retires by rotation and being eligible offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   “**RESOLVED THAT** Mr. Raja Praturi (DIN: 01819707), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

SPECIAL BUSINESS:

3. Appointment of Mrs. Madhurika Nalluri Venkat (DIN:07147974) as an Independent Director of the Company.

   To consider and if thought fit, to pass with or without modification(s), if any, the following as an Ordinary Resolution:

   “RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (”Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Act, as amended from time to time and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Madhurika Nalluri Venkat (DIN:07147974), who was appointed as an Additional Director in Independent Category of the Company by the Board of Directors at its meeting held on 13th August, 2019, whose term of office expires at this Annual General Meeting (‘AGM’) and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 05 (Five) consecutive years for a term upto the conclusion of 25th Annual General Meeting of the Company in the calendar year 2024.”

4. Transactions with Related Parties under Section 188 of the Companies Act, 2013.

   To consider and if thought fit, to pass with or without modification(s), if any, the following as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and the rules made there under including any modification or amendments or clarifications thereon, if any, and pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and pursuant to the Policy of the Company on Related Party Transactions, approval of the members be and is hereby accorded, for entering into transactions, including Material Related Party Transactions, in the ordinary course of business at arms’ length price, whether by means of contracts/ arrangements or otherwise, from time to time, with the related parties, provided such transactions, in the opinion of the Board of Directors of the Company with those related parties are in the ordinary course of business and at arm’s length price.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

By Order of the Board of Directors

CS Suresh Bachalakura
Company Secretary
(A39381)

Place: Hyderabad
Date: 05 December 2019

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses under Item Nos. 3&4 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India of the persons seeking appointment / re-appointment as Directors under Item Nos. 2& 3, of the Notice, are also annexed.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.

   A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

6. The Register of Members and Share Transfer Books of the company will remain closed from, Monday, 23rd December, 2019 to Monday, 30th December, 2019 (both days inclusive).

7. To avoid inconvenience to members and to facilitate smooth conduct of the meeting, entry to the place of meeting will be only for members / proxies and is regulated by the attendance slip appended to the proxy form. Members are requested to affix their signature on it and hand it over at the entrance.

8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP Id No's for easier identification of attendance at the meeting.

10. A member desirous of getting any information on the accounts or operations of the company is requested to forward his/her queries to the company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

11. Members are requested to notify immediately any change in their address to the company or to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed onto their respective Depository Participants without any delay.

    The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s Karvy Fintech Pvt. Ltd.

12. In all correspondence with the company, members are requested to quote their folio numbers and in case their shares are held in dematerialized form they must quote their Client ID Number and their DP ID Number.

13. Members are requested to carry their copies of Annual Report as these will not be supplied at the meeting.

14. Trading in the equity shares of the company is in the compulsory demat form. Those members who have not demated their shares are requested to open the demat accounts with the depositories and get the shares demated at the earliest.

15. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 20th Annual General

Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

16. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and the Regulation 44 of the SEBI (LODR) Regulations, 2015 the Company is pleased to provide members' facility to exercise their right to vote at the 20th Annual General Meeting ("AGM") by electronic means and the businesses may be transacted through e-voting services provided by Karvy Fintech Private Limited ("Karvy").

17. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link http://evoting.karvy.com. Shareholders can cast their vote online from 9.00 a.m. (IST) on Friday, 27th December, 2019 to 5.00 p.m (IST) on Sunday, 29th December, 2019. During the period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date of, Friday, 20th December, 2019, may cast their vote electronically.

18. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

19. The Company has appointed M/s. B S S & Associates, Company Secretaries as Scrutinizer for conducting the remote e-voting and Insta Poll process for the Annual General Meeting in a fair and transparent manner.

20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Friday, 20th December, 2019, only shall be entitled to avail the facility of remote e-voting / Ballot.

21. The facility for voting, through ballot or polling paper is available at the meeting and members attending the meeting who have not already cast vote by remote e-voting shall be able to exercise their rights at the meeting.

22. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

23. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, 20th December, 2019, may obtain the User ID and password in the manner as mentioned below::

    a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <Space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

       Example for NSDL:
       MYEPWD <SPACE> IN12345612345678

       Example for CDSL:
       MYEPWD <SPACE> 1402345612345678

       Example for Physical:
       MYEPWD <SPACE> XXXX1234567890

    b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

    c. Member may call Karvy's toll free number 1-800-3454-001.

    d. Member may send an e-mail request to evoting.msctl@karvy.com.

       If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

1. The remote e-voting facility will be available during the following period:

   Commencement of remote e-voting: From 9.00 a.m. (IST) on, Friday, 27th December, 2019 to 5.00 p.m. (IST) on, Sunday, 29th December, 2019.

   The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

2. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The result declared along with the Scrutinizer's

Report shall be placed on the Company's website www.moschip.com immediately. The Company shall simultaneously forward the results to the Bombay Stock Exchange. The results declared along with the consolidated scrutinizer's report shall also be placed on the website of Karvy https://evoting.karvy.com.

3. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., Monday, 30th December, 2019.

4. Instructions and other information relating to remote e-voting:

1. (i) In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

(a) Launch internet browser by typing the URL: https://evoting.karvy.com

(b) (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.comor contact toll free number 1-800-3454-001 for your existing password.

(c) After entering these details appropriately, click on "LOGIN".

(d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(e) You need to login again with the new credentials.

(f) On successful login, the system will prompt you to select the E-Voting Event Number for MosChip Technologies Limited.

(g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

(h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

(i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(j) You may then cast your vote by selecting an appropriate option and click on "Submit".

(k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

(l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: srkpcs99@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(ii) In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

a) User ID and initial password - These will be sent separately.

b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.

2. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

3. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com.

24. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

Explanatory Statement

[Pursuant to Section 102(1) of the Act, the following Explanatory Statement sets out material facts relating to the business under Item No. 3&4 of the accompanying Notice dated: 05th December, 2019 convening the 20th Annual General Meeting of the Company scheduled for 30th December, 2019.]

Item No. 3:

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at the meeting held on13th August, 2019 appointed Mrs.Madhurika Nalluri Venkat (DIN:07147974) as an Additional Director in the category of Independent

In terms of the provisions of Section 161 of the Act, Mrs. Madhurika Nalluri Venkat holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

Notices under the provisions of Section 160 of the Act have been received from members signifying their intention to propose the candidature of Mrs. Madhurika Nalluri Venkata Director of the Company.

A copy of the draft letter of appointment for Independent Director, setting out the terms and conditions for appointment of Independent Director is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.moschip.com.

Mrs. Madhurika Nalluri Venkat is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except, Mrs. Madhurika Nalluri Venkat is in any way, concerned or interested in the said resolutions.

The Directors therefore, recommend the resolutions as set out in item No. 3of this Notice for approval of the shareholders.

A brief profile of the Independent Director to be appointed is given below:

Mrs. Madhurika Nalluri Venkat is presently serving as Board member in IQuest Enterprises Private Limited, Mapple Enterprises Private Limited, Magica Sports Ventures Private Limited and Lakshmi Finance and Industrial Corporation Limited.

Madhurika started her career as a Probationary Officer in Andhra Bank and went on to become an Assistant General Manager. During the 29 years of her professional career, she worked in diverse roles and has experience in Retail Operations, Corporate Lending, Legal and Human Resources.Subsequently, she was associated with Mylan Labs for 8 years as Head –HR and Corporate Communications and for 3 years at MAA Television Network Limited.

She holds a Law Degree from Nagarjuna University with distinction.

Details of Directors seeking Appointment/ Re-appointment in the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015.

Particulars	Mrs. Madhurika Nalluri Venkat	Mr. Raja Praturi
Date of Birth & Age	23/11/1954 & 65 years	02nd April, 1957 & 62 years
Date of First Appointment	13/08/2019	29/09/2017
Qualifications	Law Degree	Qualified Chartered Accountant from ICAI
Expertise in specific functional areas	Experience in Retail Operations, Corporate Lending, Legal and Human Resources	Corporate and international taxation, & corporate advisory services
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	01	0
Chairman/Member of the Committees of other Companieson which he / she is a Member	01	0
Number of equity shares held in the Company	Nil	Nil
No of Board Meetings attended during the last year	0	7

Item No. 4:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and as per Rules 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 prior approval of the shareholders by way of an Ordinary Resolution must be obtained. All the proposed transactions put up for approval are in ordinary course of business and at arm's length.

Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 transactions detailed in the resolution are material in nature and require the approval of the unrelated shareholders of the Company by an Ordinary resolution.

The particulars of contract/ arrangements / transactions with related parties are as under:

S. No.	Name of the Related Party	Name of the Director / KMP who is related	Nature of Relationship	Maximum value of Transactions per annum	Nature and Material Terms / Particulars of the contract or arrangement
1	MosChip Institute of Silicon Systems Private Limited	Venkata Sudhakar Simhadri, Jayaram Susarla,	Subsidiary	10 Crores	Sale, purchase or supply of any goods or materials; availing or rendering of any services;
				5 Crores	Capital Contribution
				5 crores	Loans & borrowings
				5 crores	Bank Guarantees / Corporate Guarantees to be issued on behalf of Banks / financial institutions
2	Maven Systems Private Limited	Venkata Sudhakar Simhadri, K. Pradeep Chandra, Jayaram Susarla, Suresh Bachalakura.	Subsidiary	50 Crores	Capital Contribution
3	IQuest Enterprises Private Limited	Mrs. Madhurika Nalluri Venkat	Common Promoter	25 Crores	Sale, purchase or supply of any goods or materials; availing or rendering of any services;
				50 Crores	Capital Contribution
				100 crores	Loans & borrowings
				50 crores	Bank Guarantees / Corporate Guarantees to be issued on behalf of Banks / financial institutions
4	Mapple Enterprises Private Limited	Mrs. Madhurika Nalluri Venkat	Common Promoter	50 Crores	Sale, purchase or supply of any goods or materials;
				50 Crores	Capital Contribution
				100 crores	Loans & borrowings
				50 crores	Bank Guarantees / Corporate Guarantees to be issued on behalf of Banks / financial institutions
5	Mayuka Holdings Private Limited	Nill	Common Promoter	50Crores	Sale, purchase or supply of any goods or materials; availing or rendering of any services;
				100 Crores	Capital Contribution
				100 crores	Loans & borrowings
				100 crores	Bank Guarantees / Corporate Guarantees to be issued on behalf of Banks / financial institutions

The above contracts / arrangements / transactions were approved by the Audit Committee at its Meeting held on 05th December, 2019 and recommended by the Board of Directors at its Meeting held on 05th December, 2019 to the unrelated Shareholders of the Company for their approval.

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 4 shall be entitled to vote on this Ordinary Resolution.

The Board of Directors recommends the resolution set forth in item No. 4 for approval of the Members.

Mr. Venkata Sudhakar Simhadri, Mrs. Madhurika Nalluri Venkat, Mr. Gummadapu Damodar Rao, Directors and Mr. Jayaram Susarla, CFO, Mr. Suresh Bachalakura Company Secretaryof the Company and their relatives are interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in passing of this resolution.

By Order of the Board of Directors

CS Suresh Bachalakura
Company Secretary
(A39381)

Place: Hyderabad
Date: 05 December 2019

Regd. Office Address:
Plot No.83 & 84, Punnaiah Plaza,
Road No.2, Banjara Hills,
Hyderabad, Telangana - 500 034.

MOSCHIP TECHNOLOGIES LIMITED
(formerly MosChip Semiconductor Technology Limited)

Regd. Office: Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road No.02, Banjara Hills, Hyderabad – 500 034, CIN: L31909TG1999PLC032184

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, Karvy Fintech Pvt. Ltd or to the company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,

Karvy Fintech Pvt. Ltd.

Karvy Selenium, Tower B,

Plot No. 31 & 32, Financial District,

Gachibowli, Hyderabad - 500 032,

Telangana, India

Dear Sir,

I/We shareholder (s) of MOSCHIP TECHNOLOGIES LIMITED, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email). I/We request you to kindly register my / our below mentioned email id in the Company’s records for sending such communication through email.

Folio No………………………........................…/DP ID No.*……………..................……………and Client ID No.*………………………………..

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : ____________________

Name of the Joint Shareholders (if any) : ____________________

____

No. of Shares held : ____________________

E-mail id for receipt of documents in

Electronic mode : ____________________

Date:

Place: Signature: ____________________

(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company’s Registrar and Share Transfer Karvy Fintech Pvt. Ltd, as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants

MOSCHIP TECHNOLOGIES LIMITED
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Regd. Office: Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road No.02, Banjara Hills,
Hyderabad – 500 034. CIN: L31909TG1999PLC032184

FORM NO. MGT - 11

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ______________________________

Registered Address : ______________________________

____

E-mail ID : ______________________________

Folio No. / Client ID: DP ID : ______________________________

I/We being the Member(s) of ____________________ equity shares of Rs. 2 each of MOSCHIP TECHNOLOGIES LIMITED, hereby appoint:

1. Name: ____________________ E-mail Id: ____________________

Address: ______________________________

____________________ Signature: ____________________

Or failing him/her

2. Name: ____________________ E-mail Id: ____________________

Address: ______________________________

____________________ Signature: ____________________

Or failing him/her

3. Name: ____________________ E-mail Id: ____________________

Address: ______________________________

____________________ Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Monday, 30th December, 2019 at 10.30 a.m. at State Gallery of Art Auditorium, Road No.1, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500 033 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Resolution No.	Description	(For)*	(Against)*	(Abstain)*
1.	To receive, consider and adopt Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2019, together with the reports of Auditors and Directors thereon.			
2.	To appoint a Director in place of Mr. Raja Praturi (DIN: 01819707) who retires by rotation and being eligible offers himself for re-appointment.			
3.	Appointment of Mrs. Madhurika Nalluri Venkat (DIN:07147974) as an Independent Director of the Company			
4.	To approve transactions with Related Parties under Section 188 of the Companies Act, 2013 and other relevant provisions.			

Signed this ___________ day of ________________.2019

Affix
1 Rupee
Revenue
Stamp

____

Signature of Shareholder/s

_________________________ _________________________ _________________________

Signature of first proxy holder | Signature of second proxy holder | Signature of third proxy holder

*Please put a (√) in the appropriate column against the resolution as indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes:

1. This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

MOSCHIP TECHNOLOGIES LIMITED
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Regd. Office: Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road No.02, Banjara Hills, Hyderabad – 500 034. CIN: L31909TG1999PLC032184

(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Regd. Folio No. / DPID – Client ID No. : ______________________________

SHAREHOLDER'S NAME : ______________________________
(In Block Capitals)

In case of Proxy

NAME OF PROXY : ______________________________
(In Block Capitals)

No. of Shares held : ______________________________

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 20th Annual General Meeting of the Company held on Monday, 30th December, 2019 at 10.30 a.m. at State Gallery of Art Auditorium, Road No.1, Kavuri Hills, Madhapur, Hyderabad, Telangana - 500 033.

____

Signature of Shareholder/s / Proxy

Notes:

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.

b) Member/Proxy who wishes to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.

c) Member/Proxy should bring his/her copy of the annual report for reference at the meeting.

d) Please bring this Attendance Slip when coming to the Meeting.

FORM NO.MGT-12
POLLING PAPER
[Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (C) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	MOSCHIP TECHNOLOGIES LIMITED
CIN	L31909TG1999PLC032184
Registered Office	Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road No.02, Banjara Hills, Hyderabad – 500 034.
Telephone	040-66229292

BALLOT PAPER

S. No	Particulars	Details
1.	Name of the First Named Shareholder (In BLOCK letters)	
2.	Postal address	
3.	Registered Folio No./ *DP ID and Client ID No.(*Applicable to investorsholding shares in dematerialized form)	
4.	Class of Share	
5.	No of shares held	

I hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated below by Recording my assent or dissent to the said resolution in the following manner:

S. No	ITEM NO.	I/we assent to the resolution (For)	I/we dissent from the resolution (Against)	Abstain
	ORDINARY BUSINESS			
1.	To receive, consider and adopt Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2019, together with the reports of Auditors and Directors thereon.			
2.	To appoint a Director in place of) Mr. Raja Praturi (DIN: 01819707), who retires by rotation and being eligible offers himself for re-appointment.			
	SPECIAL BUSINESS			
3.	Appointment of Mrs. Madhurika Nalluri Venkat (DIN:07147974) as an Independent Director of the Company.			
4.	To approve transactions with Related Parties under Section 188 of the Companies Act, 2013 and other relevant provisions.			

Place:
Date: (Signature of the shareholder)

Route Map for the venue of AGM

State Gallery of Art Auditorium
Road No.1, Kavuri Hills, Madhapur,
Hyderabad, Telangana - 500 033.