



**M-ISS**  
**GETTING THE STUDENTS INDUSTRY READY!**

# **12<sup>th</sup> Annual Report**

## **2021 - 2022**

**MosChip Institute of Silicon  
Systems Pvt. Ltd.**

**(A 'MosChip' group Company)**

## **BOARD OF DIRECTORS**

Mr. Venkata Giri Babu Kondaveeti	-- Whole Time Director
Mr. Jayaram Susarla	-- Director
Mr. Venkata Sudhakar Simhadri	-- Director

## **REGISTERED OFFICE**

First Floor, Plot No 12,  
Shilpi Vally, Madhapur,  
Hyderabad,  
Telangana – 500081.  
Tel: +91 40 40258899

## **STATUTORY AUDITORS**

M/s. S.T. Mohite & Co.  
Chartered Accountants  
G-5, B-Block, Paragon Venkatadri Apartments,  
3-4-812, Street No. 01, Barkatpura,  
Hyderabad – 500 027.

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## NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the members of Moschip Institute of Silicon Systems Private Limited will be held on Monday, 26<sup>th</sup> day of September, 2022 at 10:00 a.m. at the registered office of the company situated at First Floor Plot No.12, Shilpi Valley, Madhapur, Image Hospital Lane, Hyderabad Telangana – 500081, at shorter notice, to transact the following business:

### Ordinary Business:

#### 1. Adoption of Audited Financial Statements

To receive, consider, approve and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 including audited Balance Sheet as at 31<sup>st</sup> March, 2022 and the Statement of Profit and Loss Year ended on that date and the reports of the Board of Director's ("the Board") and Auditor's thereon.

2. To appoint a Director in place of Mr. Jayaram Susarla (DIN: 08077540), 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. Jayaram Susarla (DIN: 08077540), 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 Mr. Srinivasa Rao Kakumanu (DIN: 06726305) as a Director:

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:*

**"RESOLVED THAT** pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Srinivasa Rao Kakumanu (DIN: 06726305) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19<sup>th</sup> September, 2022 and whose term of office expires at this Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Srinivasa Rao Kakumanu as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

by Order of the Board of Directors  
for **Moschip Institute of Silicon Systems Private Limited**

Place: Hyderabad

Date: 19.09.2022

**Venkata Sudhakar Simhadri**  
Director  
DIN: 01883241

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for commencement of the meeting.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself and the Proxy need not be a Member of the company
3. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting.
4. A Corporate Member intending to send its authorized representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
5. Members/Proxies/Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting.
6. The Register of Directors and KMPs and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
8. This meeting is being called at a shorter Notice than the statutory required minimum of 21 clear days. Pursuant to the provisions of Section 101 of the Companies Act, 2013, an AGM may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote thereat. The members are accordingly requested to give their consents to hold the meeting at a shorter notice.
9. Route-map to the venue of the Meeting is provided at the end of the Annual Report.

**Explanatory Statement**  
**[Pursuant to Section 102 (1) of the Companies Act, 2013]**

**Special Business:**

**Item No. 3: Appointment of Mr. Srinivasa Rao Kakumanu as Director of the Company.**

The Board of Directors at their meeting held on 19<sup>th</sup> September, 2022, appointed Mr. Srinivasa Rao Kakumanu (DIN: 06726305) as an Additional Director of the Company with effect from 19<sup>th</sup> September, 2022, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Srinivasa Rao Kakumanu will hold office up to the date of the ensuing AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Srinivasa Rao Kakumanu for the office of Director, to be appointed as such under the provisions of the Companies Act, 2013.

The Company has received the following from Mr. Srinivasa Rao Kakumanu:

- (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Srinivasa Rao Kakumanu (DIN: 06726305) as a Director of the Company.

None of the directors or their relatives, except Mr. Srinivasa Rao Kakumanu to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

**Details of Directors seeking Appointment/ Re-appointment in the ensuing Annual General Meeting pursuant to Section 118 (10) of the Companies Act, 2013 and Secretarial Standard-2**

<b>Particulars</b>	<b>Jayaram Susarla</b>	<b>Srinivasa Kakamanu</b>
Date of Birth & Age	31 <sup>st</sup> March, 1983 39 years	05 <sup>th</sup> June, 1974 48 years
Date of First Appointment	23/07/2018	19/09/2022
Qualifications	B.Com, CA	B.Tech, MS
Nature of Expertise in specific functional areas	Experience in Accounts & Finance, Business Administration and Management	Experience in Design, Manufacturing and Marketing of Various Integrated Chips (ICs), Semiconductor and

		Systems
Terms and conditions of appointment or re-appointment	Non-Executive Director liable to retire by rotation	Non-Executive Director liable to retire by rotation
Remuneration sought to be paid	Nil	Nil
Remuneration last drawn	Nil	Nil
Date of first appointment on the Board	23/07/2018	19/09/2022
Directorships in other Companies	1	Nil
Member of the Committees of other Companies on which he/she is a Member	Nil	Nil
Number of equity shares held in the Company	Nil	Nil
Number of Board Meetings attended during the last year	5	Not applicable
Disclosure of Inter-se relationship between Directors and KMP's.	Nil	Nil

**MGT – 11**  
**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]

**MOSCHIP INSTITUTE OF SILICON SYSTEMS PRIVATE LIMITED**  
**(Formerly known as Institute of Silicon Systems Private Limited)**  
**(CIN: U72900TG2011PTC072006)**

Regd. Office: First Floor, Plot No.12, Shilpi Valley, Madhapur,  
IMAGE Hospital Lane, Hyderabad-500 081  
Email ID- kondaveeti007@yahoo.com

Name (s) of the Member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I / We being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1.	Name	
	Address	
	E-mail ID	
	Signature	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 12<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 26<sup>th</sup> September, 2022, at 10.30 a.m. at Plot No 12, 01<sup>st</sup> Floor, Galton Center, Shilpi Vally, Madhapur, Hyderabad- 500081, Telangana at shorter notice and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2022 along with the Report of Board of Directors and Auditors thereon.
2	Appointment of Mr. Jayaram Susarla as a Director liable to retire by rotation.
3	Appointment of Mr. Srinivasa Rao Kakumanu as Director liable to retire by rotation.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022

Signature of the Shareholder:

Affix Revenue stamp
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Signature of the Proxy holder(s):

**NOTE: 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.**

**MOSCHIP INSTITUTE OF SILICON SYSTEMS PRIVATE LIMITED**  
**(Formerly known as Institute of Silicon Systems Private Limited)**  
**(CIN: U72900TG2011PTC072006)**

Regd. Office: First Floor, Plot No.12, Shilpi Valley, Madhapur,  
IMAGE Hospital Lane, Hyderabad-500 081, Telangana.

**ATTENDANCE SLIP**

**PLEASE BRING THIS ATTENDANCE SLIP DULY COMPLETED WITHOUT FAIL AND  
HAND IT OVER AT THE ENTRANCE FOR OBTAINING ENTRY PASS**

I / We hereby record my / our presence at the 12<sup>th</sup> Annual General Meeting of MOSCHIP INSTITUTE OF SILICON SYSTEMS PRIVATE LIMITED held at First Floor, Plot No.12, Shilpi Valley, Madhapur, IMAGE Hospital Lane, Hyderabad – 500 081, Telangana on Monday, the 26<sup>th</sup> September, 2022 at 10.00 a.m. at shorter notice.

Name of the Shareholder : \_\_\_\_\_

Folio No. : \_\_\_\_\_

Name of the proxy / representative, if any: \_\_\_\_\_

I certify that I am a registered Shareholder / Proxy for the Shareholder of the Company

\_\_\_\_\_  
Signature of the Shareholder / Proxy

Notes:

1. Attendance slip which is not complete in all respects shall not be accepted.
2. Joint Shareholders may obtain additional attendance slip on request.

## DIRECTORS' REPORT

To  
The Members  
**Moschip Institute of Silicon Systems Private Limited**

Your Directors take pleasure in presenting the Twelfth Annual Report on business of the Company along with the audited statements of the company for the year ended 31<sup>st</sup> March,2022.

### Financial Highlights:

Particulars	2021-22 Amount in Rs.	2020-21 Amount in Rs.
Total Income	20,388,419	3,460,709
Total Expenses	23,950,736	15,759,142
Profit/(loss) before tax	(3,562,317)	(12,298,433)
Profit /(Loss) after tax	(3,562,317)	(12,554,941)
Profit/(Loss) b/f from previous period	(6,395,481)	6,159,460
<b>Profit for Appropriation Sub Total (A)</b>	<b>(9,957,798)</b>	<b>(6,395,481)</b>

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

#### Operations:

During the year, the Company has achieved an operational turnover of Rs.20.39 Lakhs when compared to the previous year Rs.34.60 lakhs. Net loss for the FY 2021-22 was Rs.35.62 lakhs as against Rs.125.55 lakhs for the FY 2020-21.

#### State of Company's affairs and future outlook:

MosChip Institute of Silicon Systems Private Limited ('MISS') was started with the objective of creating a talent pool of trained engineers both for in-house requirement and to meet the ever growing demand from other MNCs. MISS provides training in following courses;

- 1) VLSI – Physical design
- 2) VLSI – Design Verification
- 3) Embedded Systems
- 4) VLSI – Analog Layout Training

MISS has trained more than 1700 engineering students in the area of semiconductor design and development over the past nine years.

#### MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

#### CHANGE IN THE NATURE OF BUSINESS:

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

**TRANSFER TO RESERVES:**

It is not proposed to carry any amount to any Reserves. Hence, Disclosure under Section 134 (3) (j) of the Companies Act, 2013 is not required.

**DIVIDEND:**

In view of the planned business growth, your directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the financial year ended March 31, 2022.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year, there was no unclaimed dividend amount to transfer to the Investor Education and Protection Fund.

**TRANSFER OF SHARES RESULTING CHANGE IN HOLDING COMPANY**

There was no changes in shareholding of the Company, MosChip Technologies Limited holds 100 % shareholding of the Company

**SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES:**

The Company is not having any Subsidiaries or Associate Companies or Joint Ventures for the period ended on 31<sup>st</sup> March, 2022.

**SHARE CAPITAL:**

Authorized Share Capital: The Authorized Capital of the Company as on 31.03.2022 was Rs.1,00,000 comprising of 10,000 Equity Shares of Rs.10 each.

Paid-up Share Capital: The Issued and Paid up Capital of the Company as on 31.03.2022 was Rs.1,00,000 comprising of 10,000 Equity Shares of Rs.10 each.

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

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

Bonus Shares: The Company has not issued any Bonus Shares during the year under review.

Employees Stock Option: The Company has not provided any employee stock options to the employees.

Equity Shares with differential voting rights: The Company has not issued any Equity Shares with differential voting rights.

**BOARD OF DIRECTORS:****Appointments:**

As per the Provisions of the Companies Act, 2013 and Articles of Association of Company, Mr. Jayaram Susarla, liable to retire by rotation at ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

**Subsequent to the end of the financial year March 31, 2022:**

The Board of Directors in their meeting held on 19<sup>th</sup> September, 2022 appointed Mr. Srinivasa Rao Kakumanu (DIN: 06726305) as an Additional Directors in the category of Non-Executive Non-Independent Directors of the Company and he shall hold office upto the date of the ensuing Annual General Meeting of the Company and his appointment will be regularized in the AGM scheduled to be held on 26.09.2022.

Mr. Venkata Giri Babu Kondaveeti (DIN: 05310031) resigned from the position of Whole Time Director w.e.f. 07.09.2022. The Board in its Meeting dated 19.09.2022 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Venkata Giri Babu Kondaveeti.

**KEY MANAGERIAL PERSONNEL:**

The company is not required to appoint any Key Managerial Personnel as required under the provisions of Section 203 of the Companies Act, 2013.

**BOARD MEETINGS**

The Board met Five (5) times during the financial year 2021-2022. The intervening gap between any two meetings is within the period prescribed by the Companies Act, 2013.

Name of the Director →	Venkata Giri Babu Kondaveeti	Jayaram Susarla	Venkata Sudhakar Simhadri
Date of Meeting			
26.04.2021	Yes	Yes	Yes
19.07.2021	Yes	Yes	Yes
23.09.2021	Yes	Yes	Yes
19.10.2021	Yes	Yes	Yes
17.01.2022	Yes	Yes	Yes

The intervening gap between any two Board Meetings did not exceed the limit specified under the provisions of Companies Act, 2013.

**Attendance of Directors**

S.No	Name of the Director	Designation	No of Meetings which were entitled to attend	No. of Meetings Attended
1	Venkata Giri Babu Kondaveeti	Whole Time Director	5	5
2	Jayaram Susarla	Director	5	5
3	Venkata Sudhakar Simhadri	Director	5	5

**General Meetings:**

Type of Meeting	Date of Meeting	Total No. of members entitled to attend	Attendance	
			No. of members attended	% of total shareholding
AGM	27.09.2021	2	2	100

### **SECRETARIAL STANDARDS**

The Company complies with all applicable Secretarial Standards.

### **OTHER DISCLOSURES REQUIRED TO BE MADE UNDER THE COMPANIES ACT, 2013:**

The Company is not required to make disclosures with respect to the following:

- (a) Constitution of Nomination and Remuneration Committee and Audit Committee and Vigil Mechanism
- (b) Secretarial Audit Report
- (c) Independent Directors
- (d) Corporate Governance or any other policies.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2021-22, the applicable accounting standards have been followed and there are no material departures;
- ii. they have 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 of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 is not applicable for the year since the Company is not falling under the category of class of Companies as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no loan given or guarantee given, or investment made, or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013.**

Details of each of the related party transaction entered into by the Company during the year together with justification are annexed herewith in Form AOC-2 as **Annexure-A**.

**ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at [www.siliconsys.in](http://www.siliconsys.in).

**DEPOSITS:**

During the year under review, the Company has neither invited nor accepted any deposits falling under the purview of Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**STATUTORY AUDITORS:**

M/s. S. T. Mohite & Co., Chartered Accountants (FRN 011410S) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 8<sup>th</sup> AGM held in the year 2018, until the conclusion of the 13<sup>th</sup> AGM to be held in the year 2023.

**COST RECORDS:**

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 3 & 4 of the Companies (Cost Record and Audit) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, maintenance of cost records is not applicable to the Company.

**TAX AUDITOR:**

In terms of the provisions of Income Tax Act, 1961 and all other applicable provisions of the companies Act, 2013, the M/s. S.T.Mohite, Chartered Accountants has been appointed as Tax Auditor of the Company for the financial year 2021-22.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS.**

There was no qualification, reservation or adverse remark made by the Auditors in their report.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There are no frauds as reported by the statutory auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with rules made there-under other than those which are reportable to the Central Government.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO**

**Conservation of Energy:**

- (i) The Company has taken appropriate measures to conserve the energy wherever possible.

- (ii) No additional investment or measures for additional investments was made for the conservation of energy during the period under review.
- (iii) As there is no additional investment, there will be no impact of the same on the business of the Company.

**Technology Absorption:**

During the period under review, the Company has not absorbed any new Technology. No research and development activities are carried on by the Company.

**Foreign Exchange Income and Out go:-**

Particulars	2020-21	2020-21
Foreign Exchange Outgo	2,126,081	2,522,757
Foreign Exchange Earned	-	-
Foreign Exchange Used towards foreign travel	-	-

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

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

**DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014:**

The Company has in place adequate internal financial control system, commensurate with the size of its business operations.

**INDIAN ACCOUNTING STANDARDS (IND-AS)**

Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as notified by the Ministry of Corporate Affairs on February 16, 2015. Accordingly, your company has prepared Balance Sheet and Statement of Profit and Loss as prescribed in Schedule III to the Companies Act, 2013.

**DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and the Company has constituted Internal Complaints Committee in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2021-22, the Company has not received any complaints on sexual harassment.

**PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

**VIGIL MECHANISM**

The Company has not formulated Vigil Mechanism as the provisions of Section 177(9) & (10) of the Companies Act, 2013 are not applicable to the Company.

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

There were no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016.

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

There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

**ACKNOWLEDGEMENTS:**

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board  
**for Moschip Institute of Silicon Systems Private Limited**

Place: Hyderabad

Date: 19.09.2022

**Jayaram Susarla**

**Director**

**DIN: 08077540**

**Venkata Sudhakar**

**Simhadri**

**Director**

**DIN: 01883241**

**Form No. AOC-2**

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

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

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

There were no contracts / arrangements / transactions entered into during the year ended 31<sup>st</sup> March, 2022 which were not Arm's Length Basis.

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

There were no material contracts or arrangements or transactions with related parties during the financial year 2021-22.

For and on behalf of the Board  
for **Moschip Institute of Silicon Systems Private Limited**

Place: Hyderabad  
Date: 19.09.2022

**Jayaram Susarla**  
**Director**  
**DIN: 08077540**

**Venkata Sudhakar**  
**Simhadri**  
**Director**  
**DIN: 01883241**



## **S.T. Mohite & Co.,** **Chartered Accountants**

G5, B-Block, Paragon Venkatadri Apartments,  
3-4-812, Street No. 1, Barkatpura,  
Hyderabad - 500 027. T.S. INDIA.  
Mob. : +91 9848994508, 9848359721  
Email : stmohite@yahoo.com

### **Independent Auditors' Report**

To the Members of  
MosChip Institute of Silicon Systems Private Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of MosChip Institute of Silicon Systems Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and profit (including 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 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.





### **Information Other than the 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 financial statements and our auditor's report thereon.

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

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

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

### **Management's Responsibility for the Financial Statements**

The Company's 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are





considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all





relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. the Balance Sheet, the Statement of Profit and Loss (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 financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 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 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 financial statements since they do not pertain to the financial year ended 31 March 2022.

**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.

Place: Hyderabad  
Date: 27<sup>th</sup> April 2022



For S.T. Mohite & Co.  
Chartered Accountants (Regd. No. 011410S)

  
SREENIVASA RAO T. MOHITE  
Partner (Membership No. 015635)

ICAI UDIN: 22015635AHXYJH8600



## 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 financial statement for the year ended 31 March 2022, we report the following:

SI No.	Ref to CARO	Report by Independent Auditors
1	3(i)	<b>Property, Plant and Equipment and Intangible Assets:</b>
	3(i)(a)	The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  The Company has maintained proper records showing full particulars of intangible assets.
	3(i)(b)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment, so to cover all the 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)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company is not holding any immovable properties (where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) and accordingly clause 3(i)(c) of the Order is not applicable to the Company for the year under review.
	3(i)(d)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
	3(i)(e)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no Proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2	3(ii)	<b>Inventories</b>
	3(ii)(a)	The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable
	3(ii)(b)	The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.





3	3(iii)	<b>Loans to parties covered by Sec.189 of the Companies Act,2013 ('the Act' )</b>
		According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any investments or provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to body corporate, firms, Limited Liability Firms or other parties except to its subsidiary company, which is covered in the Register 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)	<b>Loans, guarantees, securities to and investments in other companies</b>
		According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company has transactions for compliance with the provisions of Sections 185 or 186 of the Companies Act, 2013 and the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
5	3(v)	<b>Acceptance of deposits</b>
		In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts 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 clause 3 (v) of the Order are not applicable to the Company for the year under review.
6	3(vi)	<b>Maintenance of cost records</b>
		According to the information and explanations given us, the maintenance of cost records prescribed the 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.
7	3(vii)	<b>Statutory Dues</b>
	3(vii)(a)	According to the information and explanations given to us and on the basis of our examination of the record 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 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, 2022 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, 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)	<b>Reporting on Unrecorded Income:</b>
		According to the information and explanation given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961(43 of 1961).
9	3(ix)	<b>Defaults in repayments to any lender</b>
	3(ix)(a)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. Accordingly, Clause 3(ix) of the order is not applicable.
	3(ix)(b)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, The Company has not been declared a wilful defaulter by any banker financial institution or government or government authority.
	3(ix)(c)	According to the information and explanation given to us by the management, the Company has not obtained any term loans. Accordingly clause 3(ix) (c) of the Order is not applicable.
	3(ix)(d)	According to the information and explanation given to us and on an examination of the balance sheet of the Company we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix) (d) of the Order is not applicable.
	3(ix)(e)	According to the information and explanation given to us and on an examination of the financial statements of the Company. We report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
	3(ix)(f)	According to the information and explanation given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (f) of the Order is not applicable.
10	3(x)	<b>Initial public offer/further offer</b>
	3(x) (a)	The Company has not raised moneys by way of initial public offer (including debt instruments) during the year. Accordingly, clause 3(x) (a) of the Order is not applicable.
	3(x) (b)	According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year.
11	3(xi)	<b>Frauds by or on the company</b>
	3(xi) (a)	Based on examination of the books and records of the Company and according to the information and explanations given to us. Considering the principles of materiality outlined in the stands on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.





	<b>3(xi) (b)</b>	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of companies (Audit and Auditors) Rules, 2014 with the Central Government.
	<b>3(xi) (c)</b>	We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
<b>12</b>	<b>3(xii)</b>	<b>Nidhi company</b> According to the information and explanations given to us, the company is not a Nidhi Company as prescribed under Section 406 of the Act and Accordingly, clause 3(xii) of the Order is not applicable.
<b>13</b>	<b>3(xiii)</b>	<b>Transactions with Related parties</b> In our opinion and according to the information and explanation given to us, 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 Indian Accounting Standards.
<b>14</b>	<b>3(xiv)</b>	<b>Internal Audit System</b>
	<b>3(xiv)(a)</b>	Based on information and explanations provided to us and our audit procedures, In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
	<b>3(xiv)(b)</b>	We have considered the internal audit report for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.
<b>15</b>	<b>3(xv)</b>	<b>Non-cash transactions with directors u/s 192 of the Act</b> In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Sec 192 of the Companies Act, 2013 are not applicable to the Company.
<b>16</b>	<b>3(xvi)</b>	<b>Registration u/s 45-IA of RBI Act, 1934</b>
	<b>3(xvi)(a)</b>	According to the information and explanation given to us, The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.
	<b>3(xvi)(b)</b>	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, clause 3(xvi) of the Order is not applicable.
	<b>3(xvi)(c)</b>	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
	<b>3(xvi)(d)</b>	According to the information and explanation provided to us during the course of audit. the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
<b>17</b>	<b>3(xvii)</b>	<b>Cash losses</b> The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding the financials year.
<b>18</b>	<b>3(xviii)</b>	<b>Resignation of the statutory auditors</b> There has been no resignation of the statutory auditors of the Company during the year



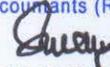


19	3(xix)	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20	3(xx)	The provisions of section 135 of the Act, are not applicable to the company for the period under review. Accordingly, reporting under clause 3(xx) of the Order is not applicable

Place: Hyderabad  
Date: 27<sup>th</sup> April 2022



For S.T. Mohite & Co.  
Chartered Accountants (Regd. No. 011410S)

  
SREENIVASA RAO T. MOHITE  
Partner (Membership No. 015635)

ICAI UDIN: 22015635AHXYJH8600



## **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)

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

We have audited the internal financial controls with reference to financial statements of MosChip Institute of Silicon Systems Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 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.

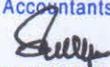
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, 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 issued by the ICAI.

Place: Hyderabad  
Date: 27<sup>th</sup> April 2022



For S.T. Mohite & Co.  
Chartered Accountants (Regd. No. 011410S)

  
SREENIVAS RAO T. MOHITE  
Partner (Membership No. 015635)

ICAI UDIN: 22015635AHXYJH8600

**MosChip Institute of Silicon Systems Private Limited****Balance Sheet**

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

	Notes	As at 31-Mar-22	As at 31-Mar-21
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	909,182	1,733,918
		<b>909,182</b>	<b>1,733,918</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	5	520,038	5,349,631
Other financial assets	6	1,560,000	1,050,000
Other current assets	7	710,637	704,574
		<b>2,790,675</b>	<b>7,104,205</b>
<b>Total assets</b>		<b>3,699,857</b>	<b>8,838,123</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	100,000	100,000
Other equity	9	(9,957,798)	(6,395,481)
<b>Total equity</b>		<b>(9,857,798)</b>	<b>(6,295,481)</b>
<b>Non-current liabilities</b>			
Provisions	10	860,000	740,000
		<b>860,000</b>	<b>740,000</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	11	-	-
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than (a) above		2,014,886	994,399
Other current liabilities	12	10,682,769	13,399,205
<b>Total current liabilities</b>		<b>12,697,655</b>	<b>14,393,604</b>
<b>Total liabilities</b>		<b>13,557,655</b>	<b>15,133,604</b>
<b>Total equity and liabilities</b>		<b>3,699,857</b>	<b>8,838,123</b>
See accompanying notes forming part of the financial statements	1 to 30	-	-

**As per our report of even date attached****for ST Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S

**Sreenivasa Rao T Mohite**

Partner

Membership No.:015635

ICAI UDIN: 22015635AHXYJH8600

Place: Hyderabad

Date: 27 April 2022



For and on behalf of the Board

**MosChip Institute of Silicon Systems Private Limited****Jayaram Susarla**

Director

DIN:08077540

Place: Hyderabad

Date: 27 April 2022

**Venkata Giri Babu Kondaveeti**

Director

DIN:05310031



**MosChip Institute of Silicon Systems Private Limited****Statement of Profit and Loss**

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

	Notes	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>I Income</b>			
Revenue from operations	13	20,349,859	3,460,709
Other income	14	38,560	-
<b>Total Income</b>		<b>20,388,419</b>	<b>3,460,709</b>
<b>II Expenses</b>			
Other operating expenses	15	2,965,355	3,229,315
Employee benefits expenses	16	13,447,013	5,125,339
Finance costs	17	8,431	8,082
Depreciation and amortisation expense	4	1,201,358	1,902,684
Other expenses	18	6,328,579	5,493,722
<b>Total expense</b>		<b>23,950,736</b>	<b>15,759,142</b>
<b>III Loss before tax ( I - II )</b>		<b>(3,562,317)</b>	<b>(12,298,433)</b>
<b>IV Tax expenses</b>			
Current tax - related to previous year		-	19,527
Deferred tax	25	-	236,981
<b>Total tax expense</b>		<b>-</b>	<b>256,508</b>
<b>V Loss after tax ( III - IV )</b>		<b>(3,562,317)</b>	<b>(12,554,941)</b>
<b>VII Total comprehensive income for the year ( V - VI )</b>		<b>(3,562,317)</b>	<b>(12,554,941)</b>
<b>Earnings per equity share (nominal value of INR 2) in INR</b>	24		
Basic		(356)	(1,255)
Diluted		(356)	(1,255)

See accompanying notes forming part of the financial statements

1 to 30

**As per our report of even date attached****for ST Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S

**Sreenivasa Rao T Mohite**

Partner

Membership No.:015635

ICAI UDIN: 22015635AHXYJH8600

**Jayaram Susarla**

Director

DIN:08077540

For and on behalf of the Board

**MosChip Institute of Silicon Systems Private Limited****Venkata Giri Babu Kondaveeti**

Director

DIN:05310031



Place: Hyderabad

Date: 27 April 2022

Place: Hyderabad

Date: 27 April 2022

**MosChip Institute of Silicon Systems Private Limited****Cash Flow Statement**

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

	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>A Cash flow from operating activities</b>		
(Loss) / profit before tax	(3,562,317)	(12,298,433)
<b>Adjustments for:</b>		
Depreciation expenses	1,201,358	1,902,684
Provision for employee benefits	120,000	120,000
<b>Working capital adjustments:</b>		
(Increase) / decrease Other financial asset	(510,000)	330,166
(Increase) / decrease in other current assets	(6,063)	2,293,878
(Increase) / decrease in trade payables	1,020,487	71,851
(Increase) / decrease in current liabilities	(2,716,436)	12,442,257
<b>Cash generated from operating activities before taxes</b>	<b>(4,452,971)</b>	<b>4,862,403</b>
Income tax paid	-	270,189
<b>Net cash flows from / (used in) operating activities(A)</b>	<b>(4,452,971)</b>	<b>5,132,592</b>
<b>B Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(376,622)	(15,369)
<b>Net cash flows used in investing activities (B)</b>	<b>(376,622)</b>	<b>(15,369)</b>
<b>C Cash flow from financing activities</b>		
Others	-	-
<b>Net cash flows from/ (used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(4,829,593)</b>	<b>5,117,223</b>
Cash and cash equivalents at the beginning of the year	5,349,631	232,408
<b>Cash and cash equivalents at the end of the year (refer note5 )</b>	<b>520,038</b>	<b>5,349,631</b>

Cash flow statement has been prepared as per indirect method set out in IND AS 7, statement of cash flow

See accompanying notes forming part of the financial statements

1 to 30

**As per our report of even date attached****for ST Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S

For and on behalf of the Board

**MosChip Institute of Silicon Systems Private Limited****Sreenivasa Rao T Mohite**

Partner

Membership No.:015635

ICAI UDIN: 22015635AHXYJH8600

**S. Jayaram****Jayaram Susarla**

Director

DIN:08077540

**Venkata Giri Babu Kondaveeti**

Director

DIN:05310031



Place: Hyderabad

Date: 27 April 2022

Place: Hyderabad

Date: 27 April 2022

**MosChip Institute of Silicon Systems Private Limited**

**Statement of Changes in Equity**

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

**a. Equity Share Capital**

**Equity shares of INR 10 each issued, subscribed and fully paid-up**

	Shares	Amount
Balance as at 1 April 2020	10,000	100,000
Change in Equity share Capital during the year	-	-
Balance as at 31 March 2021	10,000	100,000
Change in Equity share Capital during the year	-	-
Balance as at 31 March 2022	10,000	100,000

**b. Other equity**

Particulars	Retained Earnings
Balance as at 1 April 2020	6,159,460
(Loss) / Profit for the year	(12,554,941)
At 31 March 2021	(6,395,481)
(Loss) / Profit for the year	(3,562,317)
At 31 March 2022	(9,957,798)

See accompanying notes forming part of the financial statements

1 to 30

**As per our report of even date attached  
for ST Mohite & Co**

Chartered Accountants

ICAI Firm Registration Number: 011410S

**Sreenivasa Rao T Mohite**

Partner

Membership No.:015635

ICAI UDIN: 22015635AHXYJH8600



**Jayaram Susarla**

Director

DIN:08077540

Place: Hyderabad

Date: 27 April 2022

For and on behalf of Board

**MosChip Institute of Silicon Systems Private Limited**

**Venkata Giri Babu Kondaveeti**

Director

DIN:05310031



Place: Hyderabad

Date: 27 April 2022

## **1 Corporate Information**

Moschip Institute of Silicon Systems Private Limited ('the Company') was incorporated on 03 January 2011 as a private limited company under the Companies Act, 1956. The Registered office of the Company is situated at Plot No.11, Galton Centre, Shilpi Valley, Madhapur, Hyderabad, Telangana 500081.

The Company is a 100% subsidiary of Moschip Technologies Limited.

The Company is engaged in to business of Training in Chip design and development. The Financial Statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 27 April 2022.

## **2 Significant accounting policies**

### **2.1 Statement of Compliance**

These 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 for preparation of financial statements:**

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.

### **2.3 Use of Estimates:**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### **2.3 Use of Estimates:**

#### **Critical accounting estimates**

##### *(i) Income taxes and deferred taxes*

The major tax jurisdictions for the Company are India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

##### *(ii) Property, plant and equipment*

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

##### *(iii) Provisions*

A provision is recognised when the Company has a present obligation as a result of a 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 and adjusted to reflect the current best estimates.

##### *(iv) Estimation uncertainties relating to the COVID-19 pandemic*

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions.



**2.4 Property, plant and equipment****Recognition and measurement**

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and net of impairment. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes. The estimated useful lives of assets are as follows:

Useful lives of depreciable assets	Useful Life
Electrical Installation	10
Plant and Machinery	5
Furniture and fixtures	10
Office equipment's	5
Computers	3

**2.5 Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to MosChip's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

**2.6 Impairment of assets****(i) Financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

**(ii) Non-financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**2.7 Revenue recognition**

The Company derives revenues primarily from business of Training in Chip design and development. Revenue is recognised upon receipt of fee from student.

**2.8 Foreign currencies**

In preparing the 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.



## 2.9 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

### (i) Non-derivative financial instruments:

#### *Cash and cash equivalents*

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

#### *Financial assets at amortised cost*

Financial assets are subsequently measured at amortised cost using the effective interest rate method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order 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.

#### *Financial liabilities*

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

## 2.10 Employee benefits

### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's last drawn salary and the tenure of the employment.

## 2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



## 2.12 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period.

For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

## 2.13 Provisions and Contingent liabilities & contingent assets

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

## 3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The does not expect the amendment to have any significant impact in its financial statements

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



## 4 Property, plant and equipment

Particulars	Computers	Electrical Installation	Furniture and fixtures	Office equipment's	Plant and Machinery	Total Tangible Assets
<b>Cost</b>						
At 1 April 2020	3,127,501	356,319	2,342,560	56,106	466,620	6,349,106
Additions	15,369	-	-	-	-	15,369
Deletions	-	186,344	808,819	31,144	316,824	1,343,131
At 31 March 2021	3,142,870	169,975	1,533,741	24,962	149,796	5,021,344
Additions	63,150	-	84,500	228,972	-	376,622
At 31 March 2022	3,206,020	169,975	1,618,241	253,934	149,796	5,397,966
<b>Accumulated depreciation</b>						
At 1 April 2020	1,969,579	92,155	446,922	16,205	203,012	2,727,872
Charge for the year	783,243	141,354	740,981	27,289	209,817	1,902,684
Deletions	-	186,344	808,819	31,144	316,824	1,343,131
At 31 March 2021	2,752,822	47,165	379,084	12,350	96,005	3,287,425
Charge for the year	362,627	78,271	659,469	63,396	37,596	1,201,359
At 31 March 2022	3,115,449	125,436	1,038,553	75,746	133,601	4,488,784
<b>Carrying amount</b>						
At 1 April 2020	1,157,922	264,164	1,895,638	39,901	263,608	3,621,233
At 31 March 2021	390,048	122,810	1,154,657	12,612	53,791	1,733,918
At 31 March 2022	90,571	44,539	579,688	178,188	16,195	909,181



**MosChip Institute of Silicon Systems Private Limited**

**Notes forming part of Financial Statements**

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

	As at 31-Mar-22	As at 31-Mar-21
<b>5 Cash and cash equivalents</b>		
Balances with banks:		
- in Current account	520,038	5,349,631
	<b>520,038</b>	<b>5,349,631</b>
<b>6 Financial assets</b>		
Unsecured, considered good		
Security deposits	1,560,000	1,050,000
	<b>1,560,000</b>	<b>1,050,000</b>
<b>7 Other current assets</b>		
Unsecured, considered good		
Indirect tax recoverable	265,370	-
Advance to Vendors	58,743	-
Prepaid expenses	386,524	704,574
	<b>710,637</b>	<b>704,574</b>
<b>8 Equity share capital</b>		
<b>Authorised Share Capital</b>		
10,000 (31 March 2021: 10,000) equity shares of Rs.10/- each fully paid-up	100,000	100,000
<b>Issued, subscribed and fully paid-up</b>		
10,000 (31 March 2021: 10,000) equity shares of Rs.10/- each fully paid-up	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

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

Particulars	As at 31 March 2021		As at 31 March 2022	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000

**(b) Terms / rights attached to the equity shares**

Equity shares of the Company have a par value of ₹ 10 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	As at 31 March 2021		As at 31 March 2022	
	No. of equity shares	% of holding	No. of equity shares	% of holding
MosChip Technologies Limited (See Note below)	10,000	100%	10,000	100%

(d) 10,000 equity shares (including one(1) beneficial share held by nominee) are held by holding Company viz MosChip Technologies Limited

**9 Other equity**

**Retained earnings**

Balance at the beginning of the year	(6,395,481)	6,159,460
Loss for the year	(3,562,317)	(12,554,941)
Balance at the end of the year	<b>(9,957,798)</b>	<b>(6,395,481)</b>

**Total other equity**

**(9,957,798) (6,395,481)**

**10 Provisions**

**Non-Current**

Provision for employee benefits - Gratuity	860,000	740,000
	<b>860,000</b>	<b>740,000</b>



**MosChip Institute of Silicon Systems Private Limited**

**Notes forming part of Financial Statements**

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

As at  
**31-Mar-22**                      **As at**  
**31-Mar-21**

**11 Trade payables**

- (a) total outstanding dues of micro and small enterprises  
(b) total outstanding dues other than (a) above

	-	-
	2,014,886	994,399
	<b>2,014,886</b>	<b>994,399</b>

**Trade payable ageing schedule for the year ended 31 March 2022**

	Not due	less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) MSME		-	-	-	-	-
(ii) Others	156,539	274,595	-	-	-	431,134
<b>Total</b>	<b>156,539</b>	<b>274,595</b>	-	-	-	<b>431,134</b>
Accrued Expenses						1,583,752
<b>Total trade payable</b>						<b>2,014,886</b>

**Trade payable ageing schedule for the year ended 31 March 2021**

	Not due	less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	138,267	610,580	-	-	-	748,847
<b>Total</b>	<b>138,267</b>	<b>610,580</b>	-	-	-	<b>748,847</b>
Accrued Expenses						245,552
<b>Total trade payable</b>						<b>994,399</b>

**12 Other current liabilities**

- Statutory liabilities  
Other advances from Holding Company (refer note 21)  
Revenue received in advance

	218,407	195,161
	9,984,624	8,447,774
	479,738	4,756,270
	<b>10,682,769</b>	<b>13,399,205</b>



**MosChip Institute of Silicon Systems Private Limited****Notes forming part of Financial Statements**

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

	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>13 Revenue from operations</b>		
Training fee	20,349,859	3,460,709
	<b>20,349,859</b>	<b>3,460,709</b>
<b>14 Other income</b>		
Miscellaneous income	38,560	-
	<b>38,560</b>	-
<b>15 Other operating expenses</b>		
Outsourcing Services	-	-
Software tools cost	2,965,355	3,229,315
	<b>2,965,355</b>	<b>3,229,315</b>
<b>16 Employee benefits expense</b>		
Salaries, wages and bonus	13,301,205	5,003,999
Contribution to provident and other funds	120,000	120,000
Staff welfare expenses	25,808	1,340
	<b>13,447,013</b>	<b>5,125,339</b>
<b>17 Finance costs</b>		
Bank charges	8,431	8,082
	<b>8,431</b>	<b>8,082</b>
<b>18 Other expenses</b>		
Software expenses	34,600	23,900
Power and fuel	695,692	659,725
Repairs and maintenance	166,029	37,500
Auditors remuneration (refer note no 22)	67,500	62,500
Lease rentals (refer note no 23)	3,562,897	3,115,339
Rent on equipment's	455,900	93,159
Business promotion and advertisement expenses	178,870	193,225
Security expenses	390,000	360,000
Travelling and conveyance	93,715	150,700
Rates and taxes	17,000	134,644
Professional charges	94,500	103,500
Printing and stationary	11,695	-
Communication expenses	36,122	-
Insurance	4,076	10,247
Foreign Exchange Gain / Loss (Net)	46,071	44,606
Office Maintenance	473,912	448,429
Interest on Statutory Liabilities	-	56,248
	<b>6,328,579</b>	<b>5,493,722</b>



**MosChip Institute of Silicon Systems Private Limited****Notes forming part of the Accounts for the year ended 31 March, 2022**

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

**19 Contingent Liabilities and capital commitments:**

The Company does not have any contingent liabilities and capital commitment

**20 Segment Reporting**

The Company has only one Business segment of providing training services

**21 Related party disclosures****a) List of related parties and relationships**

Name of the Related party	Relation as on 31 March 2022 *
MosChip Technologies Limited	Holding Company
Venkata Giri Babu Kondaveeti	Director

\* The above list represents only the directors, KMP's and relatives, who are having transactions with the Company

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

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Managerial remuneration</b>		
Venkata Giri Babu Kondaveeti	4,510,000	3,780,000

**c) Balances outstanding**

Particulars	As at 31-Mar-22	As at 31-Mar-21
MosChip Technologies Limited Payable	(9,984,624)	(8,447,774)

**22 Auditors' remuneration**

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
As fees for Audit	30,000	30,000
Tax audit fee	25,000	25,000
Other Services	12,500	7,500
<b>Total</b>	<b>67,500</b>	<b>62,500</b>

**23 Leases****Where the Company is a lessee:**

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

After considering current and future economic conditions, the Company has concluded that all lease agreements are cancellable, hence there are no leases which falls under Ind AS 116 Leases.

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) Lease rents under the operating Leases are recognized in the Statement Profit &amp; Loss on a accrued basis. The total charge as rent to the Statement of Profit &amp; Loss for the year is Rs.3,562,897/- for Office.

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Variable lease payments		
Expenses relating to Short term Leases	3,562,897	3,115,339
Expenses relating to low value assets, excluding short term leases low value assets	-	-
<b>Total</b>	<b>3,562,897</b>	<b>3,115,339</b>



**24 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-Mar-22	Year ended 31-Mar-21
Loss for the year	(3,562,317)	(12,298,433)
<b>Loss attributable to equity share holders</b>	<b>(3,562,317)</b>	<b>(12,298,433)</b>
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic and diluted	10,000	10,000
Earnings per share of par value ₹ 10 – Basic (₹)	(356.23)	(1,229.84)
<b>Earnings per share of par value ₹ 10 – Diluted (₹)</b>	<b>(356.23)</b>	<b>(1,229.84)</b>

**25 Deferred Tax**

Computation of deferred tax	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Opening Balance</b>	-	236,981
On depreciation	-	(75,781)
Disallowance on account of non payment of TDS	-	-
Employee Benefits	-	(161,200)
<b>Total timing difference</b>	-	<b>(236,981)</b>
<b>Net deferred tax (liability) / asset</b>	-	-

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

Particulars	For the year ended 31 March 2021		
	Opening Balance	Recognized current year	Closing Balance
On depreciation	75,781	75,781	-
Disallowance on account of non payment of TDS	-	-	-
Employee Benefits	161,200	161,200	-
<b>Total timing difference</b>	<b>236,981</b>	<b>236,981</b>	-

**26 Dues to Micro, small and medium enterprises**

The Company sought the information from all the suppliers about MSME registrations. 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 no reportable information as required as per Sec 22(i) to (vi) of the MSMED Act, 2006 read with Schedule III of Companies Act, 2013.



**MosChip Institute of Silicon Systems Private Limited**

**Notes forming part of the Accounts for the year ended 31 March, 2022**

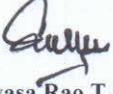
(All amounts in Indian Rupees, except share data and where otherwise stated)

**30** Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure. Figures have been rounded off to the nearest decimal of lakhs as required under Schedule III

**In terms of our report attached  
for ST Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S



**Sreenivasa Rao T Mohite**

Partner

Membership No.:015635

ICAI UDIN: 22015635AHXYJH8600



For and on behalf of the Board

**MosChip Institute of Silicon Systems Private Limited**



**Jayaram Susarla**

Director

DIN:08077540



**Venkata Giri Babu Kondaveeti**

Director

DIN:05310031

Place: Hyderabad

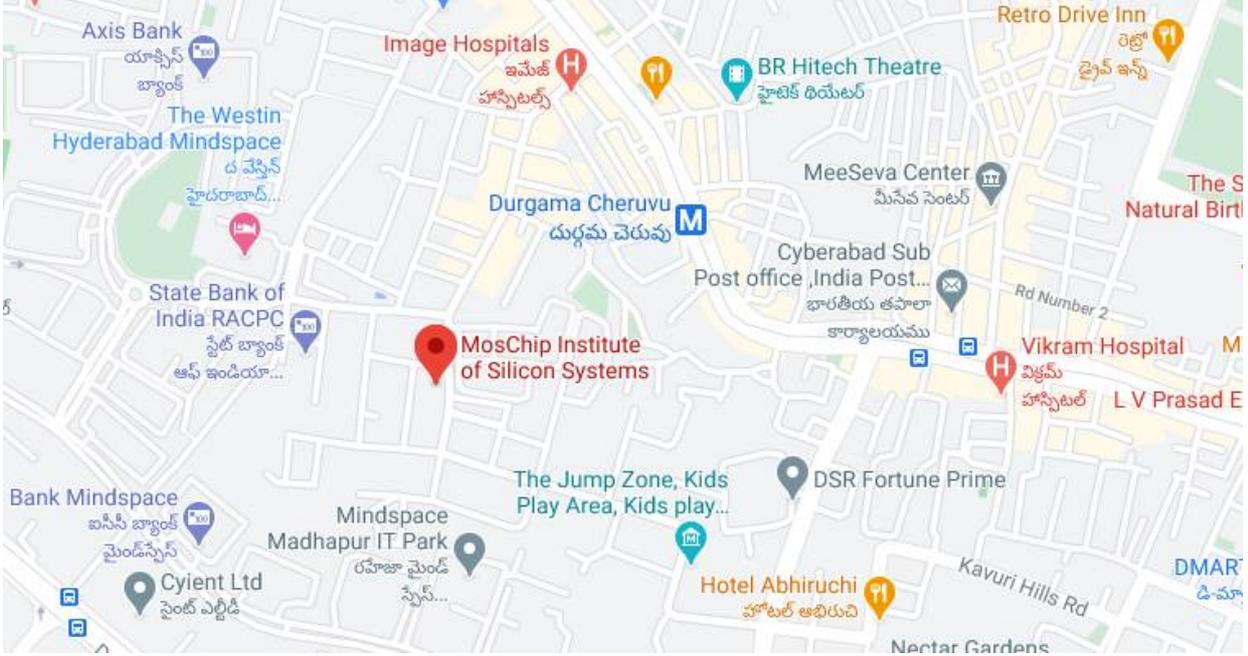
Date: 27 April 2022

Place: Hyderabad

Date: 27 April 2022



## Route map for Venue of the AGM



### Contact us:

**MOSCHIP INSTITUTE OF SILICON SYSTEMS PRIVATE LIMITED**  
(Formerly known as Institute of Silicon Systems Private Limited)

**(CIN: U72900TG2011PTC072006)**

Regd. Office: First Floor, Plot No.12, Shilpi Valley, Madhapur,  
IMAGE Hospital Lane, Hyderabad - 500 081, Telangana.