

# MOSCHIP

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23<sup>RD</sup>

ANNUAL REPORT

MARCH 2022

**MOSCHIP TECHNOLOGIES LIMITED**

Leading Provider of Semiconductor and  
Embedded System Design Services

[www.moschip.com](http://www.moschip.com)

 /MosChipTech

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## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

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

\* Mr. Rajeev Krishnamoorthy appointed as Additional Director In Independent Category of the Company w.e.f. 28th March, 2022.

\*\*Mr. J.A. Chowdary ceased to be a Director w.e.f. 14th January, 2022.

\*\*\* Mr. Raja Praturi ceased to be a Director w.e.f. 12th July, 2022.

### COMMITTEES OF THE BOARD

#### Audit Committee.

Mr. D.G. Prasad	-- Chairman
Mr. K. Pradeep Chandra	-- Member
Mrs. Madhurika Nalluri Venkat	-- Member
Mr. Damodar Rao. G	-- Member

#### Nomination & Remuneration Committee.

Mr. D.G. Prasad	-- Chairman
Mr. K. Pradeep Chandra	-- Member
Mrs. Madhurika Nalluri Venkat	-- Member

#### Stakeholders Relationship Committee.

Mr. K. Pradeep Chandra	-- Chairman
Mr. D. G. Prasad	-- Member
Mrs. Madhurika Nalluri Venkat	-- Member

#### Risk Management Committee

Mrs. Madhurika Nalluri Venkat	-- Chairman
Mr. K. Pradeep Chandra	-- Member
Mr. D. G. Prasad	-- Member
Mr. K. Ramachandra Reddy	-- Member

#### Mr. Venkata Sudhakar Simhadri

Chief Executive Officer

#### Mr. Jayaram Susarla

Chief Financial Officer

#### CS Suresh Bachalakura

Company Secretary & Compliance Officer

### STATUTORY AUDITORS

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

### REGISTERED OFFICE

7<sup>th</sup> Floor, My Home Twitza,  
TSIIC, Knowledge City,  
Hyderabad,  
Telangana – 500081.  
Tel : 040-6622-9292  
Fax : 040-6622-9393  
Website: www.moschip.com

### SECRETARIAL AUDITORS

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

### REGISTRAR AND SHARE TRANSFER AGENTS

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

To  
The Members,

Your Directors take immense pleasure in presenting the 23<sup>rd</sup> Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Summary of Financial Results

	Year ended 31 March 2022		Year ended 31 March 2021	
	Consolidated	Standalone	Consolidated	Standalone
Income from operations	1,4764.40	12,070.32	10,519.35	8,408.47
Other Income	513.39	213.33	172.74	336.84
<b>Total Revenue</b>	<b>15,277.79</b>	<b>12,283.65</b>	<b>10,692.09</b>	<b>8,745.31</b>
(Loss) / Profit before exceptional item, Interest, Depreciation & Tax	2,770.56	2,269.31	866.21	1,111.36
(Loss) / Profit before Interest, Depreciation & Tax	2,770.56	2,269.30	866.21	1,111.36
Less: Interest	860.50	842.86	857.08	832.82
Less: Depreciation	1,264.14	889.35	917.98	459.96
<b>Profit/ (Loss) before tax</b>	<b>645.92</b>	<b>537.10</b>	<b>(908.86)</b>	<b>(181.42)</b>
Less: Tax expense	0.62	-	6.22	3.13
<b>Profit / (Loss) after tax</b>	<b>645.30</b>	<b>537.10</b>	<b>(915.09)</b>	<b>(184.55)</b>
Less: Pre-Acquisition (+) Profit / (-) Loss				
<b>Net Profit / (Loss) for the year</b>	<b>645.30</b>	<b>537.10</b>	<b>(915.09)</b>	<b>(184.55)</b>

### 2. Performance Review

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

On consolidated basis, the income from operations grew to Rs. 14,764.40 lakhs from Rs. 10,519.35 lakhs registering a growth of 40% year on year. The increased growth during the current year is primarily Increase in revenue from design and development services. The Profit before Interest, Depreciation and Tax stood at Rs. 2,770.56 lakhs while that of previous year stood at Rs. 866.21 lakhs. The Consolidated results showed a Net profit for the year at Rs. 645.30 lakhs as against a Net loss of Rs. 915.08 lakhs in the previous year.

On a standalone basis, income from operations for the year stood at Rs. 12,070.32 lakhs as against Rs. 8,408.47 lakhs for the preceding year. Standalone Net profit for the FY 2021-22 was Rs. 537.10 lakhs as against Net Loss of Rs. 184.55 lakhs for the FY 2020-21.

This performance was possible due to the proper vision and strategy of leadership team, efficient execution of operational team and with the support of dedicated employees, which is paving way for the long term sustainable growth. The Company is poised to be part of emerging opportunities by continuing to focus on its inherent strengths in services, turnkey solutions, IP, IoT & Training

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

### 3. Impact of the Covid-19 Pandemic:

- The COVID-19 pandemic is a global humanitarian and health crisis, that continues to impact all our stakeholders – employees, clients, investors and communities we operate in. Many countries are reporting the third and fourth wave of infections.
- 80% of MosChip's employees briefly returned to work in its new facilities in March 2022.
- MosChip has taken up a drive to provide free vaccination to all its employees and its immediate family members. A thorough thermal scanning and sanitization protocol was introduced at offices.

- Most of our customer driven projects are on track with Moschip.
- However, the semiconductor and IT industry continues to flourish in spite of the challenges thrown with COVID situation.

**4. Subsidiaries, Joint Ventures and Associate Companies**

As on 31<sup>st</sup> March, 2022, the Company has 2 direct subsidiaries, namely:

- 01) MosChip Technologies, USA
- 02) MosChip Institute of Silicon Systems Private Limited.

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

During the year Maven Systems Private Limited the wholly owned subsidiary has been merged with the Company by virtue of the Hon'ble NCLT Hyderabad bench order dated 14<sup>th</sup> March, 2022.

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

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

**5. Dividend & Transfers to Reserves**

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

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

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the Company's website at [www.moschip.com](http://www.moschip.com)

**6. Share Capital**

**(a) Increase in Paid-up Share Capital**

During the year under review, your Company issued, and allotted Equity Shares as mentioned in below table.

S. No	Date of allotment	Number of shares allotted	Allotment Price in Rs.	Particulars
01	25-05-2021	75,000	18	pursuant to exercise of vested stock options
02	25-05-2021	2,000	5.98	pursuant to exercise of vested stock options
03	11-08-2021	6,000	5.98	pursuant to exercise of vested stock options
04	11-08-2021	2,20,000	18	pursuant to exercise of vested stock options
05	11-08-2021	3,64,939	16	pursuant to exercise of vested stock options
06	28-08-2021	1,72,500	18	pursuant to exercise of vested stock options
07	28-08-2021	56,663	16	pursuant to exercise of vested stock options
08	09-12-2021	1,97,250	18	pursuant to exercise of vested stock options
09	09-12-2021	1,89,784	16	pursuant to exercise of vested stock options
10	17-01-2022	2,46,500	18	pursuant to exercise of vested stock options
11	17-01-2022	5,22,157	16	pursuant to exercise of vested stock options

Consequent to the above, the subscribed and paid-up equity share capital of your Company as on March 31, 2022 stood at Rs.32,00,88,390/- comprising of 16,00,44,195 Equity Shares of Rs.2/- each.

On 28.04.2022, the Company allotted 51,583 Equity Shares pursuant to exercise of vested stock options by employees.

On 08.07.2022, the Company allotted 2,21,329 Equity Shares pursuant to exercise of vested stock options by employees

**(b) Increase in Authorised Share Capital**

In view of the scheme of arrangement/amalgamation of Maven Systems Private Limited with MosChip, the authorized share capital of your company now comprises of Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakhs Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crores Twenty Seven Lakhs and Fifty Five Thousand only) equity shares of Rs.2/- (Two only).

**(c) Buy Back of Securities**

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

**(d) Sweat Equity**

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

**(e) Bonus Shares**

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

**(f) Equity Shares with differential rights**

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

**(g) Dematerialization of Shares**

99.71% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2022 and balance 0.29% is in physical form. The Company's Registrars are KFin Technologies Limited., Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad, Telangana- 500 032.

**7. Major events occurring after the balance sheet date**

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

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

**(b) Change in the Nature of Business:**

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

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

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

**8. Directors and Key Managerial Personnel**

**(a) Inductions, Changes & Cessations in Directorships during the year 2021-2022 .**

Mr. Adiseshiah Chowdary Jakkampudi (DIN: 01109704), who was appointed as an Additional Director on 25.01.2021, was regularized in the Annual General Meeting held on 13.09.2021 and resigned from the position of Independent Director on 14.01.2022. The Board in its Meeting dated 17.01.2022 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Adiseshiah Chowdary Jakkampudi.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Rajeev Krishnamoorthy (DIN: 09542130) as an Additional Director in Independent Category with effect from 28.03.2022 and approval of members by way of special resolution was taken in the extra-ordinary general meeting held on 27.06.2022.

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

Mr. Raja Praturi (DIN: 01819707) resigned from the position of Independent Director w.e.f. 12.07.2022. The Board in its Meeting dated 14.07.2022 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Raja Praturi.

Mr. Rajeev Krishnamoorthy appointment as an Independent Director was regularized by the members in the extra-ordinary general meeting held on 27.06.2022.

Directors retire by rotation:

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company Mr. Damodar Rao Gummadapu (DIN:07027779), Non-Executive Director retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**(b) Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2022 are:

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

**(c) Independent Directors**

In terms of Section 149 of the Companies Act, 2013 ('Act') Mr. Pradeep Chandra Kathi, Mr. Govinda Prasad Dasu, Mrs. Nalluri Madhurika Venkat, Mr. Raja Praturi and Mr. Rajeev Krishnamoorthy are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of science and technology, digitalization, strategy, finance, governance, human resources, sustainability, etc. and that they hold highest standards of integrity.

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

All the Independent Directors have confirmed their respective registrations in the Independent Directors Databank.

**(d) Familiarization programme for Independent Directors**

At the time of appointment, the Company conducts familiarization programmes for an Independent Director through meetings with key officials of the Company. During these meetings, presentations are made on the roles and responsibilities, duties and obligations of the Director, Company's business, Company's strategy, financial reporting, governance and compliances and other related matters. Details of Familiarization Programme for the Independent Directors are provided separately in the Corporate Governance Report which forms a part of this Board's Report.

**(e) Board evaluation**

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

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

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

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

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

**(f) Audit Committee**

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

**(g) Nomination and Remuneration Committee:**

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

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

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

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

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

**(h) Stakeholders Relationship Committee**

Details pertaining to composition of the Stakeholders Relationship Committee are included in the Report on Corporate Governance.

**(i) Risk Management Committee**

Details pertaining to composition of the Risk Management Committee are included in the Report on Corporate Governance.

**(j) ESOP plans**

Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. There was no change in the ESOP scheme of the Company during the year.

During the year under report the company has Six schemes in operation as mentioned below, for granting stock options to the employees and directors of the company and its wholly owned subsidiary in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

Disclosures with respect to Stock Options, as required under Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are annexed herewith as **Annexure – D** to this report.



The Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available at the AGM, electronically.

### **(k) Number of meetings of the Board**

04 meetings of the Board were held during the year 2021-2022. Details of these meetings as well as the meetings of its Committees have been given in the Corporate Governance Report, which forms part of the Board's Report.

### **9. Corporate Social Responsibility (CSR) Initiatives:**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) Networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs.1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 were not applicable to the Company during the financial year 2021-22.

### **10. Internal Financial Controls and its adequacy**

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

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

### **11. Vigil Mechanism / Whistle Blower Policy**

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

### **12. Deposits**

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

### **13. Statutory Auditors and Auditors' Report**

M/s. S. T. Mohite & Co., Chartered Accountants (Firm Registration No. 011410S) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 18<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2017 until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2022. The proposal for re-appointment of M/s. S. T. Mohite & Co., as an Auditor for another term of 05 years was part of the 23<sup>rd</sup> AGM of the Company.

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

The Report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2022 forming part of the Annual Report does not contain any qualification, reservation, observation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

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

### **14. Internal Audit:**

As per the provisions of Section 138 of the Act and the rules made there under, the Board of Directors had appointed M/s Gokhale & Co, Chartered Accountants, Hyderabad (FRN No: 000942S), as Internal Auditor to conduct the internal audit of the Company for the Financial Year 2021-22.

Further, on the recommendation of audit committee, the Board of Directors of the Company has approved the re-appointment of aforesaid audit firm as internal auditors for the Financial Year 2022-23.

### **15. Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. BSS & Associates, Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2021-2022. The Secretarial Audit Report and Secretarial Compliance Report are annexed herewith as **Annexure – E**. The Secretarial Audit Report and Secretarial Compliance Report don't contain any qualifications, reservation or adverse remark.

### **16. Cost Records and Audit**

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

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

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

### **18. Related Party Transactions:**

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

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

### **19. 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 is placed on the Website of the Company at [www.moschip.com](http://www.moschip.com).

### **20. Particulars of Loans, Guarantees or Investments**

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

### **21. Directors' Responsibility Statement**

Pursuant to Section 134(5) the Companies Act, 2013 and based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) The Directors had prepared annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- f) The directors had devised proper systems to ensure compliance by the Company with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-2022.

### **22. Corporate Governance and Shareholders Information**

The Company is committed to good corporate governance in line with the provisions of SEBI Listing Regulations and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the SEBI Listing Regulations. A certificate of compliance from M/s. B S S & Associates, Company Secretaries and the report on Corporate Governance form part of this Directors' Report as **Annexure – H**.

### **23. Secretarial Standards**

The Company complies with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **24. Risk Management Policy**

In pursuant to the provisions of the Section 134 (3)(n) of the Companies Act 2013, the Company has formulated risk management policy to mitigate and manage the risk including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

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

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

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

### **26. Insider Trading**

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

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

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

### 26. Business Responsibility report

In terms of the Regulation 34 of the SEBI Listing Regulations the Business Responsibility Report is annexed as **Annexure - I** to this Report

### Annexures forming part of this report

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

### Acknowledgment

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

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

**For and on behalf of the Board of Directors**

**K. Pradeep Chandra**  
Chairman

Place : Hyderabad  
Date : 14<sup>th</sup> July, 2022

**'Annexure-A' to the Directors' Report**

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

**Company Overview:**

MosChip Technologies, founded in 1999, is a Hyderabad-based Semiconductor and Embedded Product Design Services and Internet of Things (IoT) Solutions company with 23+ years of track record in the industry. Moschip was the first fabless semiconductor company in India and shipped millions of parts for connectivity solutions and went IPO in 2002. Its unique combination of semiconductor design and software development competencies makes MosChip, a perfect “Chip to Cloud” company.

**Business units and expertise**

Moschip is currently focused on Semiconductor design services, Mixed Signal IP, Turn-key ASIC solutions and Embedded product design services. Moschip's rapidly growing work-force is spread across its headquarters in Hyderabad and design locations in Bangalore and Santa Clara, USA (Silicon Valley)

Semiconductors				Embedded		
Semi conductors IP	Semiconductors Design Services	Turn-key ASIC / ASSPS	Training Institute	Product / System Design	Embedded Software	IOT Products
<ul style="list-style-type: none"> <li>Digital IP</li> <li>Verification IP</li> <li>SerDes IP</li> <li>ADC / DAC IP</li> <li>PLL IP</li> </ul>	<ul style="list-style-type: none"> <li>RTL design &amp; verification Services</li> <li>Analog layout services</li> <li>Physical design services</li> </ul>	<ul style="list-style-type: none"> <li>RTL to Volume Production</li> <li>Working relationship with leading fabs</li> <li>Successful track record with Govt and consumer applications</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>High Speed Product &amp; System Design</li> <li>Complex Platform Designs with FPGA, SoC &amp; ASIC's</li> <li>DFM / DFA, &amp; EMS</li> <li>Platform Bring-up &amp; Validation</li> </ul>	<ul style="list-style-type: none"> <li>OS Porting &amp; Board Support Package</li> <li>Device Drivers – Bare metal, OS</li> <li>Software IP Development &amp; Integration</li> <li>Software Testing</li> <li>Software maintenance/ support</li> </ul>	<ul style="list-style-type: none"> <li>CCMS – Group/ Individual lighting control</li> <li>Asset Monitoring</li> <li>Telematics</li> </ul>

**Performance Review:**

- 1) On consolidated basis, the income from operations grew to Rs. 14,764.40 lakhs from Rs. 10,519.35 lakhs registering a growth of 40 % year on year. The increased growth during the current year is primarily Increase in revenue from design and development services . The Profit before Interest, Depreciation and Tax stood at Rs. 2,770,30 lakhs while that of previous year stood at Rs. 866.21 lakhs. The Consolidated results however showed a Net profit for the year at Rs. 645.30 lakhs as against a Net loss of Rs. 915.09 lakhs in the previous year.
- 2) On a standalone basis, income from operations for the year stood at Rs. 12,070.32 lakhs as against Rs. 8,408.47 lakhs for the preceding year. Standalone Net Profit for the FY 2021-22 was Rs. 537.10 lakhs as against Net Loss of Rs. 184.55 lakhs for the FY 2020-21.

This performance was possible due to the proper vision and strategy of leadership team, efficient execution of operational team and with the support of dedicated employees, which is paving way for the long term sustainable growth. The Company is poised to be part of emerging opportunities by continuing to focus on its inherent strengths in services, turnkey solutions, IP, IoT & Training.

The key financial ratios for the FY 2021-2022 in comparison with FY 2020-2021 are mentioned in “Annexure A of Standalone financials” forming part of standalone financials

**Some of the key developments are:**

- Significant progress with high speed SerDes IP portfolio and design wins with tier-1 customers
- Strong growth with existing Semiconductor customer for design services
- Acquisition of new customers in North America
- Transition from 2G to 4G for Moschip's IOT solutions
- New R&D investments into Artificial Intelligence and other emerging areas
- Consolidation of office space and move into a world-class facility in February 2021

**Impact of COVID-19**

In response to the ongoing COVID-19 pandemic and the various resulting government directives, we have taken extensive measures to protect the health and safety of our employees at our offices. We modified our workplace practices globally, which resulted in some of our employees working remotely for an extended period of time and some of whom are still working remotely. While we have implemented personal safety measures at all of our offices where our employees are working on site, we may need to modify our business practices and policies. We continue to monitor the implications of the COVID-19 pandemic on our business, as well as our customers' and suppliers' businesses.

**Semi-conductor Industry:**

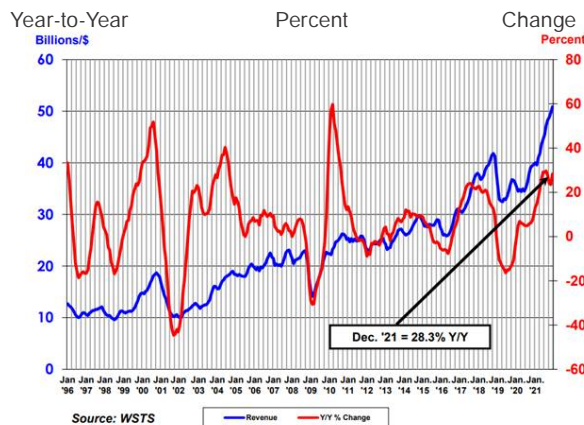
Semiconductors are the key components in every electronic system that includes smartphones, personal computers, Laptops, Communication and networking systems, Medical equipment and Automobiles. Emerging technologies and applications in the areas of 5G communications and Artificial intelligence are further fuelling the growth. Semiconductor industry will benefit from the ongoing innovation and development in connectivity, data centres, communications, automotive, safety & security, infotainment, navigation, home automation, wearable devices, etc. and will continue to see growth in the coming decades.

Industry sold 1.15 trillion semiconductors totaling \$555.9 billion in 2021, both records According to Semiconductor Industry Association (SIA) "The Semiconductor Industry Association (SIA) today announced global semiconductor industry sales totaled \$555.9 billion in 2021, the highest-ever annual total and an increase of 26.2% compared to the 2020 total of \$440.4 billion. The industry shipped a record 1.15 trillion semiconductor units in 2021, as chip companies ramped up production to address high demand amid the global chip shortage. Global sales for the month of December 2021 were \$50.9 billion, an increase of 28.3% compared to the December 2020 total and 1.5% more than the total from November 2021. Fourth-quarter sales of \$152.6 billion were 28.3% more than the total from the fourth quarter of 2020 and 4.9% higher than the total from third quarter of 2021 .

In 2021, amid the ongoing global chip shortage, semiconductor companies substantially ramped up production to unprecedented levels to address persistently high demand, resulting in record chip sales and units shipped," said John Neuffer, SIA president and CEO. "Demand for semiconductor production is projected to rise significantly in the years ahead, as chips become even more heavily embedded in the essential technologies of now and the future. To ensure more semiconductor production and innovation is located in America over the long term, the U.S. government must swiftly fund CHIPS Act investments in semiconductor research, design, and manufacturing as part of bipartisan competitiveness legislation. Doing so will greatly strengthen America's economy, national security, critical infrastructure, supply chains, and tech leadership.

On a regional basis, sales into the Americas market saw the largest increase (27.4%) in 2021. China remained the largest individual market for semiconductors, with sales there totaling \$192.5 billion in 2021, an increase of 27.1%. Annual sales also increased in 2021 in Europe (27.3%), Asia Pacific/All Other (25.9%), and Japan (19.8%). Sales for the month of December 2021 increased compared to November 2021 in the Americas (5.2%), China (0.8%), Europe (0.3%), and Asia Pacific/All Other (0.1%), but fell slightly in Japan (-0.3%).

**Worldwide Semiconductor Revenues**



### Semiconductor Market size world-wide from 1987 till 2021 ( in Billion US \$ )

In the coming years, we expect new consumer demand for 3G/4G/5G multimode and 5G products and services to continue to ramp around the world as we continue to transition from 3G/4G multimode and 4G products and services. We believe that 5G will continue to drive adoption of certain technologies that are already commonly used in smartphones by industries and applications beyond mobile handsets, such as automotive and IoT. We believe it is important that we remain a leader in 5G technology development, standardization, intellectual property creation and licensing, and a leading developer and supplier of 5G integrated circuit products in order to sustain and grow our business long term.

The Indian semiconductor market is expected to reach \$64 billion by 2026, propelled by increasing demand from mobile and wearables as well as industrial and IT sector. Further, due to government initiatives to promote semiconductor manufacturing in the country, the share of locally sourced components will rise to 17% by 2026 as against just 9% in 2021, a report by Indian Electronic and Semiconductors Association (IESA) said.

"Locally sourced semiconductor market is poised to grow at CAGR of 30% from \$1.7 billion in 2019 to \$11.0 billion in 2026. These astounding numbers are possible due to support from the government in establishing manufacturing sites across pan-India," the report said. The Indian semiconductor market was valued at \$27.2 billion in 2021 and is expected to grow at a healthy CAGR of 16% from 2019 to 2026 to reach \$64 billion in 2026. The global semiconductor market is estimated to reach \$1 trillion by 2030 from the current levels of \$440 billion in 2020.

As per IESA, India has the potential to become a significant supplier to the global semiconductor manufacturing supply chain across the semiconductor equipment ecosystem, materials and services. There is a potential opportunity for India to serve up to \$85–100 billion of the \$550-600 billion annual global opportunity by 2030.

Currently, India has excellent chip designing capabilities and tens of thousands of engineers work in designing and their chips are tapped out in leading edge labs around the world. "Virtually all the world's biggest fabless chip companies have an Indian presence. However, India has very little presence in actual fabrication and ATPM segments," the report said.

But due to the Rs 76,000 crore incentive scheme announced by the government, the semiconductor landscape is likely to change going forward. Currently, there is an installed base of 127 fabs across the globe but India doesn't have any fab. Going forward, many of the existing fabs will be up for upgradation over the years and an additional 27 new fabs have already been announced.

Taiwan is a leader in semiconductor fabs with 36 such units followed by 24 in China and 20 in US. Of the upcoming fabs, 8 are set to be in Taiwan, 6 in China and 6 in US.

The report has highlighted that the evolving and volatile nature of the current geopolitical events will play a crucial role for industry players as they will need to seek sourcing partners beyond their existing suppliers. Besides, the growing adoption of sustainable manufacturing practices is also compelling manufacturers to broaden their supplier network. According to IESA, India could well emerge as the latest innovation partner and a significant supplier in the next 10 years. "The immense potential complements India's goal of reaching \$1 trillion in export value by 2030," it added.

### SerDes

The SerDes market is expected to reach USD 2540.0 million (source IP Next Market survey report) by 2025 and is projected to capture a healthy compound annual growth rate of 21.7%. SerDes combines the Serializer and Deserializer which are required for high-speed communication to convert the serial data and parallel data while reducing the data lines. Several applications involve huge data transmission operations which require efficiency and speed.

The automotive industry, the demand for the SerDes is rapidly increasing, owing to the deployment of driver safety protocols and cameras to monitor various factors such as monitoring the circumstances during the drive, monitoring the health parameters during the drivers, and so on.

**The SerDes IP 5 years forecast is very aggressive:** this segment should increase from \$114million in 2020 up to \$328 million in 2025, with 24% CAGR! (source IP Next Market Survey report) The reasons for such high growth are well-known, linked with the booming demand for more bandwidth in data center and all along the data flow: computing, storage and network.

The overall Indian economy size reaching USD 3.1 trillion and with a target of reaching USD 5.0 trillion by FY26. This growth will be predominantly dominated by manufacturing through reengineering by adopting cutting edge technology, these necessarily calls for a high demand for PAM4 SerDes technology.

We consider a SerDes to be Very High Speed (VHS) when the data rate is equal to 56 Gbps, or more (112 G). Up to 28 Gbps, a SerDes design is following NRZ or PAM2 signaling, when at 56 Gbps and above the signaling is expected to be PAM4 (4 Level Pulse Amplitude Modulation) where every 2 bits are mapped to one symbol.

In summary, the semiconductor industry is on a solid growth path fuelled by growth in multiple segments.

### **Company centric Highlights and Key developments in IoT Segment**

MosChip's refined focus on Semiconductor design services, Semiconductor IP for connectivity, Turn-key ASIC solutions, Embedded system and software design services, has been yielding steady and consistent growth for the last few quarters.

MosChip's concrete efforts to strengthen its technology expertise and broaden its solutions and product engineering services offerings continue to help acquire new customers and additional business with existing customers.

Moschip continues to invest in semiconductor IP for connectivity solutions that includes 16G to 64G for PCIE applications, Ethernet connectivity and high speed data converters. Moschip has been refocusing on turn-key ASIC solutions, leveraging its IP portfolio, design capabilities and established relationships with semiconductor fabs and manufacturing houses.

Regarding the smart lighting solutions, Moschip has been putting reduced focus on additional R&D and bidding for new projects. As a result, there is significant drop in smart lighting revenues which is compensated by the growth in its core strengths of Semiconductor and Embedded product design services.

However, Moschip continues in its GeoHEMS and IOT solutions – An indigenous asset monitoring platform – GeoHEMS for real time monitoring and control of moving and non-moving assets is being adopted by multiple global OEMs. It is a solution for performance, condition, anomaly detection, preventive / predictive maintenance and analysis. With larger adoptions in IoT segment security vulnerabilities are expected to grow and the solution is future proof with highest level of security of TLS 1.2 implementations. MosChip continues to migrate its products to 4G technology and deliver its products to Global OEMs and system integrators for design, production and supply of the solution and its variants.

**For and on behalf of the Board of Directors**

**Place: Hyderabad  
Date: 14<sup>th</sup> July, 2022**

**K. Pradeep Chandra  
Chairman**



**Annexure 'B' to the Directors' Report**

**Form AOC-1**

**Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures**

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

**Part "A": Subsidiaries (in rupees)**

		Name of the Subsidiary	
		MosChip Technologies, USA	MosChip Institute of Silicon Systems Pvt Ltd
01	Reporting period	31 March 2022	31 March 2022
02	Exchange Rate	75.52	NA
03	Equity Share Capital	1,397.62	1.00
04	Reserves & Surplus	(1,317.92)	(99.58)
05	Total Assets	1,994.12	34.37
06	Total Liabilities	1,914.43	132.95
07	Investments	-	-
08	Turnover (Total Revenue)	6,740.08	203.88
09	Profit / (Loss) Before Taxation	379.39	(35.62)
10	Tax Expenses	0.62	-
11	Profit / (Loss) After Taxation	378.77	(35.62)
12	Proposed Dividend	-	-
13	% of Shareholding	100%	100%

\* Maven Systems Private Limited, the wholly owned subsidiary of the Company has been merged with MosChip Technologies Limited through a scheme of amalgamation approved by the NCLT, Hyderabad bench.

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

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

**Part "B": Associates and Joint Ventures**

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

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

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

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

**For and on behalf of the Board of Directors**

**K. Pradeep Chandra**  
Chairman

Place: Hyderabad  
Date: 14<sup>th</sup> July, 2022

**Annexure 'C' to the Directors' Report**

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

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

S.No	Name	Designation	Ration of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2021 - 2022
1	Mr. Venkata Sudhakar Simhadri	Managing Director & CEO	23.44	23 %
2.	Mr. K. Ramachandra Reddy	Non-Executive Director	NA	NA
3	Mr. D. G. Prasad	Independent Director	NA	NA
4	Mr. Raja Praturi	Independent Director	NA	NA
5	Mrs. Madhurika Nalluri Venkat	Independent Director	NA	NA
6.	Mr. Damodar Rao Gummadapu	Non-Executive Director	NA	NA
7.	Mr. K. Pradeep Chandra	Independent Director	NA	NA
8.	Mr. J. A. Chowdary 1	Independent Director	NA	NA
9.	Mr. Rajeev Krishnamoorthy 2	Independent Director	NA	NA
10	Mr. Jayaram Susarla	Chief Financial Officer	7.29	24 %
11	Mr. Suresh Bachalakura	Company Secretary	2.42	17 %

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

b) The remuneration of KMP does not include perquisite from ESOP.

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

1. Mr. J. A. Chowdary ceased to be a Director w.e.f. 14th January, 2022.

2. Mr. Rajeev Krishnamoorthy was appointed as Additional Director in independent category w.e.f. 28th March, 2022.

**(II) The percentage increase in the Median Remuneration of the Employees of the Company for the Financial Year 2021 - 22 & The number of permanent employees on the rolls of the Company:**

The Median Remuneration of the Employees was Rs 8,53,400 and Rs 7,51,130 in the Financial Year 2021-22&2020-21 respectively. Employee head count increased to 792 from 563 as on 31 March 2022 & 31 March 2021.

**(III) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2021-22 with the percentage increase in the managerial remuneration:**

The average increase in the remuneration of employees excluding KMPs during FY 2021-22 was 28 % and the average increase in the remuneration of Key Managerial Personnel 23 %.

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

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

**Particulars of Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

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

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

For and on behalf of the Board of Directors

Place: Hyderabad

Date: 14<sup>th</sup> July, 2022

K. Pradeep Chandra  
Chairman

**Annexure 'D' to the Directors report**

**Disclosure of Employee Stock options pursuant to Regulation 14 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021**

- a) The Employee Option Plans are designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.
- b) The Company has six schemes under Employee Stock Option Plans in operation during the year. They are, (i) MosChip Stock Option Plan 2005 (MI), (ii) MosChip Stock Option Plan 2005 (WOS), (iii) MosChip Stock Option Plan 2008, (iv) MosChip Stock Option Plan 2008(ALR), (v) MosChip Stock Option Plan 2008(Director) and (vi) MosChip Stock Option Plan, 2018 with 500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares and 10,000,000 equity shares respectively.
- c) Each option granted to eligible employees shall entitle such employees to one equity share of the nominal value of Rs.2/- each at a price to be determined by the Board of Directors or Nomination & Remuneration Committee or the market price. However, subject to the regulations or guidelines of the SEBI in regard to the pricing of the Options, as applicable from time to time. The equity shares issued upon exercise of the Options shall rank pari passu in all respects with the existing equity shares.
- d) Each option shall be vested after a minimum period of 12 months from the date of grant of the Option or at such times as may be determined by the Board or Nomination & Remuneration Committee from time to time.
- e) The Options shall be valid and exercisable for such periods as may be determined by the Board or Nomination & Remuneration Committee, from time to time. Options not exercised within the specified period will lapse. All options that are lapsed will be added back to the pool and are eligible for future grants to the employees.

Out of above plans the Company has granted options during the year ended 31 March 2022 in) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2008 (ALR) and Moschip Stock Option Plan 2018.

Particulars	MosChip Stock Option Plan 2008	MosChip Stock Option Plan 2005 (MI)	MosChip Stock Option Plan 2005 (WOS)	MosChip Stock Option Plan 2008 (ALR)	MosChip Stock Option Plan 2008 (Director)	MosChip Stock Option Plan 2018
Options outstanding at the beginning of the year	14,30,000	4,00,000	25,000	9,50,000	10,00,000	53,97,000
Granted during the year	2,15,000	-	2,95,000	2,44,500	-	38,88,500
Forfeited during the year	60,584	-	15,000	1,97,501	-	5,20,381
Exercised during the year	5,29,327	2,68,381	18,750	3,91,665	-	8,44,670
Options outstanding at the end of the year	10,55,089	1,31,619	2,86,250	6,05,334	10,00,000	79,20,449

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

	31 Mar 2022						
Grant date	26-Oct-18	20-Jul-20	25-Jan-21	27-Apr-21	20-Jul-21	20-Oct-21	17-Jan-22
Vesting Period	4 Years	3 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Excise price	₹ 18.00	₹ 16.00	₹ 16.00	₹ 18.00	₹ 24.00	₹ 31.28	₹ 40.00
Share options	15,70,000	46,45,741	4,00,000	4,25,000	20,93,000	1,25,000	17,40,000

- g) The fair value of each option is estimated on the date of grant using Black-Scholes-Merton model with the following assumptions:

## DIRECTORS' REPORT

The model inputs for options granted during the year ended 31 March 2022 included:

Grant date	26-Oct-18	20-Jul-20	25-Jan-21	27-Apr-21	20-Jul-21	20-Oct-21	17-Jan-22
Vesting Period	4 Years	3 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Expiry Date	26-Oct-25	20-Jul-26	25-Jan-28	27-Apr-28	20-Jul-28	20-Oct-28	17-Jan-29
Excise price	₹ 18.00	₹ 16.00	₹ 16.00	₹ 18.00	₹ 24.00	₹ 31.28	₹ 40.00
Share price at Grant date	₹ 23.50	₹ 14.80	₹ 15.00	₹ 30.85	₹ 44.96	₹ 47.55	₹ 81.05
Expected price volatility of the company's shares	53%	55%	61%	60%	68%	66%	68%
Expected dividend yield	-	-	-	-	-	-	-
Risk free interest rate	8.04%	4.55%	4.58%	4.58%	4.58%	4.58%	5.21%

### h) Exercise of Options during the year:

Number of options exercised during the year	20,52,793
Number of shares arising as a result of exercise of options	20,52,793
Money realized by exercise of options (INR), if scheme is implemented directly by the company.	₹3,45,87,028

### i) Employee wise details of options granted to

(a) Senior Managerial Personnel and KMP:

Mr. Jayaram Susarla	: Nil
Mr. Venkata Sudhakar Simhadri	: Nil
Mr. Suresh Bachalakura	: 10,000

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

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

**For and on behalf of the Board of Directors**

Place: Hyderabad  
Date: 14<sup>th</sup> July, 2022

**K. Pradeep Chandra**  
Chairman

### Annexure 'E' to the Directors' Report

#### Form No. MR-3 Secretarial Audit Report

For the Financial Year ended on March 31, 2022  
[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
MosChip Technologies Limited,  
(CIN: L31909TG1999PLC032184)  
7th Floor, My Home Twitza, Plot No.30/A,  
Sy.No.83/1, TSIIC, Hyderabad Knowledge City,  
Raidurg, Panmaktha, Hyderabad, Rangareddi  
Telangana, 500081 INDIA.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:

- (a) The Information Technology Act, 2000 and the rules made thereunder
- (b) The Special Economic Zones Act, 2005 and the rules made thereunder
- (c) Software Technology Parks of India rules and regulations
- (d) The Indian Copy Right Act, 1957
- (e) The Patents Act, 1970
- (f) The Trade Marks Act, 1999

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

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

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

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

We further report that, the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same is not within the scope of our audit.

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

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

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

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

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

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ('NCLT') had, vide its Order No.CP(CAA) No.36/230/HDB/2021 connected with CP(CAA) No.26/230/HDB/2021 dated February 25<sup>th</sup> 2022 ('Order'), approved the Scheme of Amalgamation between the Company and Maven System Private Limited ('Transferor Company'), wholly-owned subsidiary of the Company, under Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder ('the Scheme'). The Appointed Date of the Scheme is April 01, 2021.

for **B S S & Associates**  
**Company Secretaries**

**S. Srikanth**  
**Partner**  
**M. No.: 22119**  
**C.P. No.: 7999**

Place : Hyderabad  
Date : 14<sup>th</sup> July, 2022

UDIN: A022119D000614744

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

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## DIRECTORS' REPORT

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Annexure A

To,  
The Members,  
MosChip Technologies Limited,  
(CIN: L31909TG1999PLC032184)  
7th Floor, My Home Twitza, Plot No.30/A,  
Sy.No.83/1, TSIIC, Hyderabad Knowledge City,  
Raidurg, Panmaktha, Hyderabad, Rangareddi  
Telangana, 500081 INDIA.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for for **B S S & Associates**  
**Company Secretaries**

**S.Srikanth**  
**Partner**  
**M. No.: 22119**  
**C.P. No.: 7999**

Place : Hyderabad  
Date : 14<sup>th</sup> July, 2022

UDIN: A022119D000614744



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### Secretarial Compliance Report of MosChip Technologies Limited for the year ended March 31, 2022

We, B S S & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **MosChip Technologies Limited** [CIN: L31909TG1999PLC032184] ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the Review Period;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – Not applicable to the Company during the Review Period;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the Review Period;

and circulars / guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

## DIRECTORS' REPORT

Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any,
1	BSE - Non-compliance under SEBI (LODR) Regulations, 2015, email dated.11 October 2021.	The disclosure required upon submission of reclassification application to BSE was not submitted within the stipulated period of 24 hours from the occurrence of the event.	Company has received a Communication from BSE to ensure compliance, keeping in mind not only the letter but the spirit of the requirement as laid down in the SEBI (LODR) Regulations, 2015. Any delay and laxity in disclosing the details as required under the Regulations in future, would attract suitable disciplinary action, as may be deemed fit.	The company placed the BSE communication before the Board of Directors in their Board Meeting held on 20.10.2021. The Directors took the communication on record and the same was informed to the BSE on 25.10.2021.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Delay in prior intimation as per regulation 29 (1). Intimated to BSE on 02.12.2019.	<b>31.03.2021</b>	The company has made a request for waiver of fines levied by BSE.  However, the BSE issued a Regret letter for waiver of fines levied.  Fine has been paid by the company.	The company has paid the penalty of Rs.11880/- dt.28-04-2021.

We, further, report that there was no event of appointment/ re-appointment/ resignation of statutory auditor of the Company during the review period and the Company was in compliance with Para 6(A) and 6(B) of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019

for for **B S S & Associates**  
**Company Secretaries**

**S.Srikanth**  
**Partner**  
**M. No.: 22119**  
**C.P. No.: 7999**

Place : Hyderabad  
Date : 24<sup>th</sup> May, 2022

UDIN: A022119D000380169

**Annexure 'F' to the Directors' Report**

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

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

**1. Conservation of Energy**

i. Steps taken or impact on conservation of energy

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

- a. Optimal cooling of work areas and data centers
- b. Switching off computers when not in use
- c. Utilization of lights and stand-alone air conditioners only when required
- d. Minimal usage of AC s and lights during weekend.
- e. Using LED lights at all workstations.

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

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

iii. Capital investment on energy conservation equipments

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

**2. Technology Absorption**

Efforts made towards technology absorption

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

Information regarding imported technology (Imported during last three years)

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

Research & Development (R&D)

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

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

Future plan of action

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

Expenditure on R&D

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

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**3. Foreign Exchange Earnings and Outgo**

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

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

- (b) Foreign exchange earnings and outgo

(Value in Rs.)

	Year ended March 31, 2022	Year ended March 31, 2021
Foreign Exchange earnings	428,892,224	251,059,312
Foreign Exchange outgo	37,679,722	33,485,242

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 14<sup>th</sup> July, 2022

K. Pradeep Chandra  
Chairman

**Annexure 'G' to the Directors' Report**

**FORM AOC-2**

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

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

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

MosChip Technologies Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

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

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

Appropriate approvals have been taken for all related party transactions.

**For and on behalf of the Board of Directors**

**K. Pradeep Chandra  
Chairman**

**Place: Hyderabad  
Date: 14<sup>th</sup> July, 2022**

**Annexure 'H' to the Directors' Report**

**REPORT ON CORPORATE GOVERNANCE**

**Company's Philosophy**

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

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

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

**Board of Directors**

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

**Composition of the Board**

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of Science & Technology, Banking & Finance, Strategy and Planning, Laws & Policies, general management and entrepreneurship. As on March 31, 2022, the Board comprises of 08 members comprising of a, One Executive Director, Two Non-Executive Directors and Five Independent Directors and Chairman of the Board is an Independent Director.

In compliance with SEBI Listing Regulations as amended, the specific areas of focus or expertise of individual Directors have been highlighted in the table below:

Key Board Qualifications & Expertise						
Name of the Director	Qualification	Technology	Banking & Finance	Strategy & Planning	Laws & Policies	General Management & Entrepreneurship skills
Mr. K. Pradeep Chandra	BTech, MBA, PhD	3	3	3	3	3
Mr. Venkata Sudhakar Simhadri	BE, MS	3	-	3	-	3
Mr. K. Ramachandra Reddy	BTech, MS	3	-	3	-	3
Mr. D. G. Prasad	CA	-	3	3	3	3
Mr. Raja Praturi	CA	-	3	3	3	3
Mr. Damodar Rao G	CA	-	3	3	3	3
Mrs. Madhurika Nalluri Venkat	BL	-	3	3	3	3
Mr. Rajeev Krishnamoorthy	MS, PhD	3	-	3	3	3

## DIRECTORS' REPORT

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

Based on the declarations received from the Independent Directors, the Board of Directors confirm that in their opinion, the Independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. In compliance with Rule 6(1) and (2) of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, All Independent Directors have confirmed their respective registrations in the Independent Directors Data bank.

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2022 are as under:

Name of the Director	Category	No. of outside Directorship(s) held Public*	No. of other Board Committees** (of Companies)		No. of Equity Shares held
			As a Member	As a Chairman/ Chairperson	
Mr. Venkata Sudhakar Simhadri	Executive Director	01	0	0	66,52,376
Mr. K. Ramachandra Reddy	Promoter Non-Executive Director	01	01	0	65,75,864
Mr. Raja Praturi	Independent Director	0	0	0	4,000
Mr. K. Pradeep Chandra	Independent Director	01	02	0	-
Mr. Damodar Rao Gummadapu	Promoter Non-Executive Director	0	0	0	2,04,000
Mr. D. G. Prasad	Independent Director	03	03	02	-
Mr. Madhurika Nalluri Venkat	Independent Director	01	01	00	-
Mr. Rajeev Krishnamoorthy <sup>1</sup>	Independent Director	01	0	0	-

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

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

1. Mr. Rajeev Krishnamoorthy is appointed as Independent Director w.e.f. 28<sup>th</sup> March, 2022.

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

Name of the Director	Directorship on other listed entities	Category of Directorship
Mr. Venkata Sudhakar Simhadri	Nil	Not Applicable
Mr. K. Ramachandra Reddy	Nile Limited	Independent Director
Mr. Raja Praturi	Nil	Not Applicable
Mr. K. Pradeep Chandra	Orient Electric Limited	Independent Director
Mr. Damodar Rao Gummadapu	Nil	Not Applicable
Mr. D G Prasad	Gokak Textiles Limited	Independent Director
	Suven Pharmaceuticals Limited	Independent Director
	Natco Pharma Limited	Independent Director
Mrs. Madhurika Nalluri Venkat	Lakshmi Finance & Industrial Corporation Limited	Independent Director
Mr. Rajeev Krishnamoorthy	Nil	Not Applicable

None of the Directors are related to each other.

## DIRECTORS' REPORT

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

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

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

The draft minutes of each Board/Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, received if any, from the Directors, records the minutes of each Board/Committee meeting within 30 days from conclusion of the meeting. During the Financial Year 2021-22, the Board met Four times.

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

Name of the Director	Number of Board Meetings held during their tenure in the year 2021-22	Number of Board Meetings attended during the year 2021-22	Whether attended last AGM held on 13.09.2021
Mr. K. Ramachandra Reddy	04	04	Yes
Mr. K. Pradeep Chandra	04	04	Yes
Mr. Venkata Sudhakar Simhadri	04	04	Yes
Mr. D. G. Prasad	04	04	Yes
Mr. Damodar Rao Gummadapu	04	03	No
Mr. J. A. Chowdary <sup>1</sup>	03	02	No
Mr. Raja Praturi	04	04	Yes
Mrs. Madhurika Nalluri Venkat	04	04	Yes
Mr. Rajeev Krishnamoorthy <sup>2</sup>	Nil	Not applicable	Not applicable

1. Mr. J. A. Chowdary ceased to be existed as Director w.e.f. 14<sup>th</sup> January, 2022.

2. Mr. Rajeev Krishnamoorthy was appointed as an Independent Director w.e.f.28<sup>th</sup> March, 2022.



No. of Board Meetings held and dates on which they were held during 2021 - 22.

<b>Quarter</b>	<b>No. of Meetings</b>	<b>Dates on which held</b>
April - June	01	27 <sup>th</sup> April, 2021
July – September	01	20 <sup>th</sup> July, 2021
October – December	01	20 <sup>th</sup> October, 2021
January – March	01	17 <sup>th</sup> January, 2022
<b>Total</b>	<b>04</b>	

**Induction and Familiarization program for Board Members**

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

The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at <https://moschip.com/investor-relations/policies-documents>.

**Meeting of Independent Directors**

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

**Performance Evaluation of Board**

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

**Service Contracts, Notice Period, Severance Fee**

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

**Code of Conduct**

The Company has a Code of Conduct applicable to all Board Members and Senior Management for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff has declared their compliance with the Code of Conduct as at 31<sup>st</sup> March, 2022. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

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

### Reason for resignation of Independent Director

Mr. Adishesiah Chowdary Jakkampudi, Independent Director of the company resigned from the Board w.e.f. 14.01.2022. In the resignation letter, he stated that the resignation was consequent to certain urgent personal pressing engagements and there were no material reasons for his resignation.

## 2. COMMITTEES OF THE BOARD

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

### 1) Audit Committee

The Company has an Audit Committee at the Board level with power and role that are in accordance with the SEBI Listing Regulations and the Companies Act, 2013. The Audit Committee oversees the accounting, auditing and overall financial reporting process of the Company. The Audit Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee is constituted and governed in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.

### Powers of Audit Committee

The powers of Audit Committee include the following:

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

### Terms of reference

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

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

### Composition, name of members and Chairperson

The composition of the Audit Committee and the attendance of the members at the meetings held during the Financial Year 2021-22 are as under:

The Audit Committee comprises of the following directors

1. Mr. D. G. Prasad -- Chairman
2. Mr. K. Pradeep Chandra -- Member
3. Mr. Damodar Rao Gummadapu -- Member
4. Mr. Madhurika Nalluri Venkat -- Member

**Meetings and attendance during the year 2021-22**

Name of the Director	Category	No of Meetings held during the Tenure	No of Meetings attended
Mr. K. Pradeep Chandra	Independent Director	04	04
Mr. D. G. Prasad	Independent Director	04	04
Mr. Damodar Rao Gummadapu	Non-Executive Director	04	03
Mrs. Madhurika Nalluri Venkat	Independent Director	04	04

Four Meetings were held during the Financial Year 2021-2022 on (i) 27<sup>th</sup> April, 2021 (ii) 20<sup>th</sup> July, 2021 (iii) 20<sup>th</sup> October, 2021 and (iv) 17<sup>th</sup> January, 2022.

The Company Secretary acts as a Secretary to the Committee.

The following were invited to Audit Committee Meetings:

- a) The Statutory Auditors.
- b) The Internal Auditors, as and when necessary.
- c) Mr. Venkata Sudhakar Simhadri, MD & CEO of the Company.
- d) Mr. Jayaram Susarla, Chief Financial Officer.

The Majority of the Audit Committee members are Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting ("AGM") held on 13<sup>th</sup> September, 2021.

**2. Nomination & Remuneration Committee**

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

**Terms of reference**

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

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**Composition, Meetings and Attendance**

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2022, Committee comprises of three Independent Directors. The Company Secretary acts as secretary to the Committee.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2021-22 are as under:

The Nomination & Remuneration Committee comprises of the following directors

1. Mr. D. G. Prasad -- Chairman
2. Mr. K. Pradeep Chandra -- Member
3. Mrs. Madhurika Nalluri Venkat -- Member

**Meetings and attendance during the year 2021-22**

Name of the Director	Category	No of Meetings held during the Tenure	No of Meetings attended
Mr. K. Pradeep Chandra	Independent Director	04	04
Mr. D. G. Prasad	Independent Director	04	04
Mrs. Madhurika Nalluri Venkat	Independent Director	04	04

During the Financial Year 2021-22, four meetings of the Nomination and Remuneration Committee were held on (i) 27<sup>th</sup> April, 2021 (ii) 20<sup>th</sup> July, 2021 (iii) 20<sup>th</sup> October, 2021 and (iv) 17<sup>th</sup> January, 2022.

The Company Secretary acts as a Secretary to the Committee

**The Nomination and Remuneration Policy:**

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

**Performance Evaluation Criteria for Independent Directors:**

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

**Remuneration of Directors:****(i) Remuneration to the Executive Directors**

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

**(ii) Remuneration to Non-Executive/ Independent Directors**

Besides, sitting fee for attending Board and Committee meetings, no special compensation to Non-Executive directors are envisaged during the year 2021-22.

## DIRECTORS' REPORT

### Details of remuneration to all the directors

Sl. No.	Name	Designation	Salary In Rs.	Performance Incentives in Rs.	Commission in Rs.	Total in Rs.	Notice period severance Fee in Rs.*	Stock Option details if any	Sitting Fee in Rs.
01	Mr. Venkata Sudhakar Simhadri	Managing Director	2,00,00,000	24,00,000	Nil	2,24,00,000	NA	Nil	Nil
02	Mr. K. Ramachandra Reddy	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	1,20,000
03	Mr. K. Pradeep Chandra	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	3,15,000
04	Mr. J. A. Chowdary	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	60,000
05	Mr. D. G. Prasad	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	3,15,000
06	Mr. Raja Praturi	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	1,20,000
07	Mr. Damodar Rao Gummadapu	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	Nil
08	Mrs. Madhurika Nalluri Venkat	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	3,15,000
09	Mr. Rajeev Krishnamoorthy <sup>1</sup>	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	Nil

1. Mr. Rajeev Krishnamoorthy appointed as an Independent Director w.e.f 28<sup>th</sup> March, 2022.

### 3. Stakeholders Relationship Committee

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

#### a) Composition, Meetings and Attendance

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

During the Financial Year 2021-22, one meeting of the Stakeholders' Relationship Committee were held on 17<sup>th</sup> January, 2022.

The Company Secretary acts as a Secretary to the Committee.

The composition of the Stakeholders' Relationship Committee and the attendance of the members at the meetings held during the Financial Year 2021-22 are as under:

The Stakeholders' Relationship Committee comprises of the following directors

Mr. K. Pradeep Chandra	--	Chairman
Mrs. Madhurika Nalluri Venkat	--	Member
Mr. D.G. Prasad	--	Member

#### Meetings and attendance during the year 2021-22

Name of the Director	Category	No of Meetings held during the Tenure	No of Meetings attended
Mr. K. Pradeep Chandra	Independent Director	01	01
Mrs. Madhurika Nalluri Venkat	Non-Executive Director	01	01
Mr. D. G. Prasad	Independent Director	01	01

**b) Name and Designation of Compliance Officer**

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

**c) Investor Grievances Redressal Status**

During the financial year 2021-22, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to non-receipt of annual reports. All the complaints were resolved to the satisfaction of the investors.

The status of Investors' Complaints as on March 31, 2022, is as follows:

No. of complaints as on April 1, 2021	0
No. of complaints received during the Financial Year 2021-22	1
No. of complaints resolved upto March 31, 2022	1
No. of complaints pending as on March 31, 2022	0

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

**4. Risk Management Committee**

**a) Brief description of terms of reference**

1. To formulate a detailed Risk Management Policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks. c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

**b) Composition, Meetings and Attendance**

The composition of Risk Management Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations.

The Risk Management Committee was not applicable to the Company for the FY 2021-2022, The Risk Management Committee constituted by the Board of Directors w.e.f. 01<sup>st</sup> May, 2022 since the Company fall under top 1000 listed companies based on market capitalization as on 31-03-2022.

The Company Secretary acts as a Secretary to the Committee.

The composition of the Stakeholders' Relationship Committee is as follows:

The Stakeholders' Relationship Committee comprises of the following directors

Mrs. Madhurika Nalluri Venkat	--	Chairman
Mr. K. Pradeep Chandra	--	Member
Mr. D.G. Prasad	--	Member
Mr. K Ramachandra Reddy	--	Member

**SUBSIDIARY COMPANIES**

The subsidiary companies are managed by their respective Board of Directors. The Company monitors the performance of subsidiary companies on periodic basis. The statement containing details of all significant transactions entered into by subsidiary companies is tabled before the Board periodically. Minutes of the Board Meetings of subsidiary companies are placed before the Board. The policy for determining material subsidiary is available on the Company's website. [https://moschip.com/investors-relations/policies-documents/Policy\\_on\\_Material\\_Subsiidiaries-document.pdf](https://moschip.com/investors-relations/policies-documents/Policy_on_Material_Subsiidiaries-document.pdf)

**GENERAL BODY MEETINGS**

i) Details of last three AGMs

<b>AGM</b>	<b>Venue</b>	<b>Time &amp; Date</b>	<b>No. of Special resolutions passed</b>
Twentieth	State Gallery of Art Auditorium, Road No.1, Kavuri Hills, Madhapur, Hyderabad – 500033, Telangana	30 <sup>th</sup> December, 2019 at 10.30 hrs.	00
Twenty First	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue	27 <sup>th</sup> November, 2020 at 10.30 hrs.	01
Twenty Second	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue	13 <sup>th</sup> September, 2021 at 11.00 hrs.	02

During the year under review, no resolution was put through by Postal Ballot. Further, no special resolution is being proposed to be passed through Postal Ballot.

**Means of Communication**

**i) Financial results, Annual Report etc.:**

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

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

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

**ii) Management Discussion and Analysis**

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

**ANALYST / INVESTOR MEETS**

During the year under review, the Company has not made any presentation to institutional investors or to the analysts.

**GENERAL SHAREHOLDER INFORMATION**

- a. AGM – Date, Time and Venue : 26<sup>th</sup> August, 2022, at 11.00 am through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) without the physical presence of the Members at a common venue.
- b. Financial Calendar : The financial year of the Company starts from the 01<sup>st</sup> day of April and ends on 31<sup>st</sup> day of March of next year.
- c. The following is the tentative financial calendar of the Company, which is subject to change:

**Un-Audited Financial Results for the FY 2022-23**

- First Quarter Results : 14<sup>th</sup> July, 2022
- Second Quarter & Half-yearly Results : Between 10<sup>th</sup> October, 2022 & 30<sup>th</sup> October, 2022.
- Third Quarter Results : Between 10<sup>th</sup> January, 2023 & 30<sup>th</sup> January, 2023.
- Fourth Quarter & Annual Results : Between 20<sup>th</sup> April, 2023 & 10<sup>th</sup> May, 2023.  
(Audited in lieu of un-audited results)
- d. Date of Book Closure : 19<sup>th</sup> August, 2022 to 26<sup>th</sup> August, 2022  
(both days inclusive)
- e. Dividend Payment Date : Your Board has not recommended any Dividend
- f. Listing on Stock Exchanges : BSE Limited  
P J Towers, Dalal Street, Fort, Mumbai – 400 001.
- g. Stock Code on BSE Limited : 532407 / MOSCHIP
- h. Listing Fee : Listing fees to the Stock Exchange for listing of equity shares have been paid for the FY 2022-23.

**I. Market Price data High / Low during each month in the Financial Year 2021-22 and Performance in comparison to broad-based indices such as BSE SENSEX.**

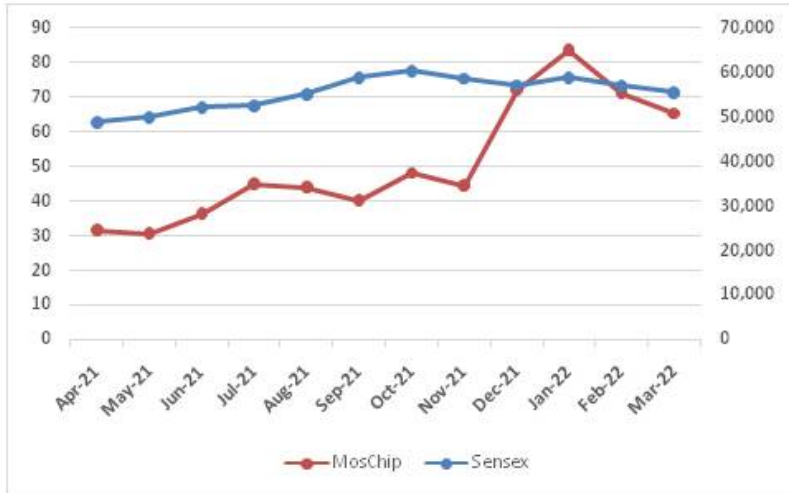
The information on market price of MosChip stock and its comparison with BSE SENSEX is as below:

Month & Year	MOSCHIP		SENSEX	
	High	Low	High	Low
Apr-21	40.45	22.55	50,375.77	47,204.50
May-21	35.3	25.65	52,013.22	48,028.07
Jun-21	41.6	30.8	53,126.73	51,450.58
Jul-21	52.55	37.5	53,290.81	51,802.73
Aug-21	49	39.05	57,625.26	52,804.08
Sep-21	42.85	37.1	60,412.32	57,263.90
Oct-21	56.95	39.05	62,245.43	58,551.14
Nov-21	49	40.1	61,036.56	56,382.93
Dec-21	101.45	42.6	59,203.37	55,132.68
Jan-22	96.2	71	61,475.15	56,409.63
Feb-22	83.95	58.2	59,618.51	54,383.20
Mar-22	72.85	57.5	58,890.92	52,260.82



**j. Relative movement chart:**

The Chart below gives the relative movement of the closing price of the Company's share and the closing price of the BSE Sensex between 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.



**k. Registrar and Transfer Agents :** KFin Technologies Limited  
 Karvy Selenium, Tower B,  
 Plot No. 31 & 32, Financial District,  
 Gachibowli, Hyderabad - 500 032, Telangana.

**l. Share Transfer System**

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

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

KFin Technologies Limited. is the Common Share Transfer Agent for both Physical and Demat mode.

**m. Distribution of Shareholding:**

The Distribution of shareholding of the Company as on 31<sup>st</sup> March 2022 is as below:

DISTRIBUTION SCHEDULE AS ON 31/03/2022						
S. No	Category	Cases	% of Cases	No of Shares	Amount	% Amount
1	1 – 5,000	78,571	97.07	1,63,24,484	3,26,48,968	10.20
2	5,001 – 10,000	1,165	1.44	43,55,600	87,11,200	2.72
3	10,001 – 20,000	604	0.75	46,18,205	92,36,410	2.89
4	20,001 – 30,000	176	0.22	22,30,590	44,61,180	1.39
5	30,001 – 40,000	111	0.14	20,20,033	40,40,066	1.26
6	40,001 – 50,000	64	0.08	14,86,129	29,72,258	0.93
7	50,001 – 1,00,000	114	0.14	40,64,164	81,28,328	2.54
8	1,00,001 & Above	134	0.17	12,49,44,990	24,98,89,980	78.07
	<b>Total</b>	<b>80,939</b>	<b>100</b>	<b>16,00,44,195</b>	<b>32,00,88,390</b>	<b>100</b>

**n. Share holding Pattern as on 31<sup>st</sup> March, 2022**

Shareholding Pattern as on 31/03/2022				
S. No	Description	No. of holders	No. of Shares	% to Equity
1	Resident Individuals	79,235	5,26,32,578	33.01
2	Foreign Promoters	2	8,17,27,739	51.07
3	Promoters	3	67,80,262	4.24
4	Employees	112	9,53,271	0.60
5	Non Resident Indians	333	8,28,077	0.52
6	Clearing Members	74	3,13,470	0.20
7	NBFC	1	125	0.00
8	Non Resident Indian Non Repatriable	172	8,66,588	0.54
9	Bodies Corporates	212	49,34,997	3.08
10	Foreign Corporate Bodies	4	24,85,054	1.55
11	H U F	780	11,93,714	0.75
12	Foreign Nationals	10	71,30,850	4.46
13	Employee Trusts	1	1,97,470	0.12
	<b>Total:</b>	<b>80,939</b>	<b>16,00,44,195</b>	<b>100.00</b>

**o. Dematerialization of shares and liquidity**

As per SEBI guidelines on investors' protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity and facilitate scrip-less trading. As at the end of 31<sup>st</sup> March 2022, **99.71%** of the outstanding equity shares of the company are in electronic form.

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

**p. Plant locations**

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

Plant / Design Center	Location
Hyderabad	7 <sup>th</sup> Floor, My Home Twitza, TSIIC Hyderabad Knowledge City, Hyderabad Telangana – 500081.

**q. Address for Correspondence and contact persons for investor's queries**

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

**Suresh Bachalakura**  
**Company Secretary**  
**MosChip Technologies Limited**  
**7<sup>th</sup> Floor, My Home Twitza, TSIIC Hyderabad Knowledge City, Hyderabad, Telangana – 500081,**  
**Tel: +91-40-6622 9292 . Fax: +91-6622 9393,**  
**Email:investorrelations@moschip.com**

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

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

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

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

**s. SEBI Complaints Redress System (SCORES):**

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

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

S. No	Payments to the Statutory Auditors (excluding taxes)	Fees paid in Lakhs
1	Statutory Audit fees paid for Audit of the <b>MosChip Technologies Limited</b> including Limited Review & fee paid for any other services	5.49
2	Statutory Audit fees paid for Audit of the <b>Maven Systems Private Limited</b> including Limited Review & fee paid for any other services	NA
3	Statutory Audit fees paid for Audit of the <b>MosChip Institute Silicon Systems Private Limited</b> including Limited Review & fee paid for any other services	0.62
	<b>Total</b>	<b>6.11</b>

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

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

**v. Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity as of 31<sup>st</sup> March, 2022.**

Your Company does not have outstanding GDR / ADR / Warrants as of 31<sup>st</sup> March, 2022.

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

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

**OTHER DISCLOSURES**

**a. Disclosure of Materially Significant Related Party Transactions**

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

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

Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. During the year 2021-22, no transactions of material nature were entered into by the Company with the Management or their relatives that may have a potential conflict of interest with the Company and the concerned officials have given undertakings to that effect as per the provisions of the SEBI Listing Regulations.

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

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

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

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

**d. Insider Trading**

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

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

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

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

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

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

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

a. **The Board**

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

b. **Shareholders Rights**

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

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

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

d. **Reporting of internal auditor**

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

e. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

The Company appointed separate persons to the post of the Chairperson and the Managing Director and the Chairperson is:

(a) a Non-Executive Director; and

(b) not related to the Managing Director as per the definition of the term "relative" defined under the Companies Act, 2013.

**Certificate by Practicing Company Secretary**

The Company has received a certificate from M/s. B S S & Associates, practicing Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such authority.

**Disclosure of Commodity Price Risk and Commodity Hedging Activities**

Your Company does not have commodity price risk being in the IT sector and hence no commodity hedging is done.

**Details of Utilization of Fund**

During the year your Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) SEBI Listing Regulations.

**Details of Credit rating**

Not applicable

**Non-compliance of any requirement of corporate governance report.**

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

**Regulation 34(3) compliance of SEBI Listing Regulations**

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

**Non-compliance of any requirement of corporate governance report.**

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

**Regulation 34(3) compliance of SEBI Listing Regulations**

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

**Company Registration details**

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

### **CEO/CFO CERTIFICATION**

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

### **REPORT ON CORPORATE GOVERNANCE**

This Corporate Governance Report forms part of the Annual Report. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

### **COMPLIANCE CERTIFICATE FROM A PRACTICING COMPANY SECRETARY**

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

### **Declaration for Affirmance of Compliance with Code of Conduct**

In compliance with Regulation 17 of the SEBI Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website [www.moschip.com](http://www.moschip.com). The Code is applicable to all Board members and Senior Management personnel of your Company. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of your Company as on 31<sup>st</sup> March, 2022 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO is as below:

### **DECLARATION**

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of MosChip Technologies Limited have confirmed compliance with the Code of Conduct for the year ended March 31, 2022.

**Place: Hyderabad**  
**Date: 14<sup>th</sup> July, 2022**

**Venkata Sudhakar Simhadri**  
**MD & CEO**

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### CEO & CFO CERTIFICATION

To  
The Board of Directors  
MosChip Technologies Limited  
Hyderabad.

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

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
  
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.
  
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date: 28<sup>th</sup> April, 2022

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**Venkata Sudhakar Simhadri**  
MD & CEO

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**Jayaram Susarla**  
CFO

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

To,  
The Members,  
MosChip Technologies Limited,  
7<sup>th</sup> Floor, My Home Twitza, Plot No.30/A, Sy.No.83/1,  
TSIIC Hyderabad Knowledge City, Raidurg, Panmaktha,  
Hyderabad, Telangana - 500081.

1. We have examined the compliance of the conditions of Corporate Governance by MosChip Technologies Limited(CIN: L31909TG1999PLC032184 (the 'Company') for the financial year ended on March 31st 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations').

**Management's Responsibility**

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Our Responsibility**

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

**Opinion**

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31<sup>st</sup> 2022.

**Other Matters and Restriction on Use**

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

for **B S S & Associates**  
**Company Secretaries**

**S.Srikanth**  
**Partner**  
**ACS No.: 22119 CP No.: 7999**  
**UDIN: A022119D000614678**

Place : Hyderabad  
Date : 14<sup>th</sup> July, 2022



## DIRECTORS' REPORT

### Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
MosChip Technologies Limited,  
7<sup>th</sup> Floor, My Home Twitza, Plot No.30/A, Sy.No.83/1,  
TSIIC Hyderabad Knowledge City, Raidurg, Panmaktha,  
Hyderabad, Telangana - 500081.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MosChip Technologies Limited, having CIN L31909TG1999PLC032184 and having registered office at 7th Floor, My Home Twitza, Plot No.30/A, Sy.No.83/1, TSIIC, Hyderabad Knowledge City, Raidurg, Panmaktha, Hyderabad, Rangareddi Telangana, 500081 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of appointment in Company
01	Venkata Sudhakar Simhadri	01883241	26/10/2018
02	Pradeep Chandra Kathi	05345536	27/04/2018
03	Kadiri Ramachandra Reddy	00042172	31/08/2015
04	Raja Praturi	01819707	29/09/2017
05	Govinda Prasad Dasu	00160408	28/05/2018
06	Gummadapu Damodar Rao	07027779	27/04/2018
07	Nalluri Madhurika Venkat	07147974	13/08/2019
08	*Rajeev Krishna Moorthy	09542130	28/03/2022

Adiseshiah Chowdary Jakkampudi (DIN: 01109704) was resigned on 14.01.2022

\*Rajeev Krishna Moorthy was appointed as an Additional Independent Director on 28.03.2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **B S S & Associates**  
**Company Secretaries**

**S.Srikanth**  
**Partner**  
ACS No.: 22119 CP No.: 7999  
UDIN: A022119D000614590

Place : Hyderabad  
Date : 14<sup>th</sup> July, 2022

**ANNEXURE I**

**BUSINESS RESPONSIBILITY REPORT**

*[See Regulation 34(2)(f)]*

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN) of the Company	<b>L31909TG1999PLC032184</b>
2. Name of the Company	MosChip Technologies Limited
3. Year of Incorporation	1999
4. Registered address	7 <sup>th</sup> Floor, My Home Twitza, Plot No.30/A, Sy.No.83/1, TSIC Hyderabad Knowledge City, Raidurg, Panmaktha, Rangareddi, Hyderabad, Telangana- 500081
5. Website	www.moschip.com
6. E-mail id	Suresh.cs@moschip.com
7. Telephone	+91 40 6622 9292
8. Financial Year reported	2021-2022
9. Name of the Stock Exchange(s) where shares are listed:	BSE Limited
10. Sector(s) that the Company is engaged in (industrial activity code-wise):	Semiconductor / Embedded design services, Turnkey ASIC solutions, Semiconductor IP (Intellectual Properties) and IOT projects.
11. List three key products/services that the Company manufactures/provides (as in balance sheet) :	Semiconductor and Embedded
12. Total number of locations where business activity is undertaken by the Company.	03
a) Number of International Locations (Provide details of major 5)	01, USA
b) Number of National Locations	02, Hyderabad & Bengaluru
13. Markets served by the Company – Local/State/ National/International	02 states (Telangana & Karnataka) & USA.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1. Paid up Capital (INR)	3200.88 lakhs
2. Total Turnover (INR)	14,764.40 lakhs
3. Total profit after taxes (INR)	645.30 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not applicable
5. List of activities in which expenditure in 4 above has been incurred	Not applicable

**SECTION C: OTHER DETAILS**

1. Does the Company have any Subsidiary Company/ Companies?	Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) ?	NA
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%];	NA

**SECTION D: BR INFORMATION**

**1. Details of Director / Directors responsible for BR**

i. Details of the Director/Director responsible for implementation of the BR policy/policies	
a) DIN number	1999
b) Name	Mr. Venkata Sudhakar Simhadri
c) Designation	Managing Director & CEO
ii. Details of BR head	
a) DIN Number (if applicable)	Not applicable
b) Name	Mr. Jayaram Susarla
c) Designation	Chief Financial Officer
d) Telephone number	040-6622 9292
e) Email ID:	Jayaram@moschip.com

**2. Principle-wise (as per NVGs) BR Policy/policies - the nine principle are as under**

1.	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
2.	Businesses should provide goods and services in a manner that is sustainable and safe
3.	Businesses should respect and promote the well-being of all its employees, including those in their value chains
4.	Businesses should respect the interests of and be responsive to all their stakeholders
5.	Businesses should respect and promote human rights
6.	Businesses should respect, protect and make efforts to protect and restore the environment
7.	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
8.	Businesses should promote inclusive growth and equitable development
9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner

## DIRECTORS' REPORT

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	No	No	No	No	No	No	No	No	No
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	No	No	No	No	No	No	No	No	No
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	No	No	No	No	No	No	No	No	No
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	As per the Corporate Governance requirements and as per the requirements of SEBI (LODR) Regulations, 2015, some of the Policies are available at <a href="https://moschip.com/policies-documents/">https://moschip.com/policies-documents/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	No	No	No	No	No	No	No	No	No
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No	No	No	No	No	No	No	No	No

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	4	4	4	4	4	4	4	4	4
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**3. Governance related to BR**

<p>a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year</p>	<p>The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.</p>
<p>b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</p>	<p>The Report shall be published annually by the Company. The BR Report which is a part of the Annual Report of the Company is available for viewing on the Company's Website: <a href="https://moschip.com/annual-reports/">https://moschip.com/annual-reports/</a></p>

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

**The Company has its own Code of Conduct extending to all the employees including the Directors of the company prescribing standards on ethics, transparency and accountability in order to develop a healthy and transparent corporate culture in the Company. It promises in adhering to the greatest governance practices in order to ensure protection of its stakeholders' interests in relation with healthy growth of the Company. The Code intends to prevent any activity / association / relationship by Directors / employees which could bring unfavorable effects to the Company's interest. The Company follows zero tolerance on any acts of bribery, corruption, etc. by any employee in association or otherwise with any outsider. The Corporate Governance framework is further supported by a Whistle Blower Policy which serves as a mechanism for its Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

**We have not received any stakeholder complaints during the financial year 2021-22 with respect to policy on Business Responsibility Statement.**

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

**No services of the Company will fall under this category.**

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**The Company is in the business of semiconductor and embedded product design services and Internet of Things (iot) solutions. Therefore, these products require minimal usage of energy, water, raw material, etc.**

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

**Not applicable**

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**Yes, the Company promotes procurement of goods and services from local vendors and small producers. This is primarily done while procuring stationary items and food supplies. It also recruits employees from local communities.**

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**The Company is purely services oriented business hence no waste or recycle of products is not required.**

**Principle 3 Employee well being**

1	Please indicate the Total number of employees	792
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3	Please indicate the Number of permanent women employees	232
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees is members of this recognized employee association?	NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

a. Permanent Employees:	Approx. – 80 %
b. Permanent Women Employees	Approx. – 80 %
a. Casual/Temporary/Contractual Employees	Not applicable
b. Employees with Disabilities	Not applicable

**Principle 4**

1. Has the company mapped its internal and external stakeholders?

**Yes. The company has mapped its various key internal stakeholders and implements various mechanisms and practices for engaging fruitful discussions and maintaining a cordial relationship. Mapping of various mechanisms and practices with external stakeholders will be established formally in due course.**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

**No. No such exercise has ever been done by the company. The same will be undertaken in due course of time.**

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

**No.**

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**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

**Human rights related clauses are also covered under the Company's Code of Conduct, Whistle Blower Policy. The company has zero tolerance for discrimination based on any grounds. These policies cover only to the employees of the Company.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**The Company has received no such complaint pertaining to sexual harassment during the reporting year 2021- 22.**

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

**The Company is purely operating into service based areas, its operations are environment friendly. The Company is in process of formulating an Environmental Policy outlining guiding principles in due course by the Board of Directors of the Company.**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

**This information will be given from next financial year as the company is process to implement more initiatives to protect the climate change, global warming.**

3. Does the company identify and assess potential environmental risks? Y/N

**Yes**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**No, the Company doesn't have any projects related to Clean Development Mechanism.**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**Yes, the Company is undertaking several energy efficient measures on ongoing basis. The energy efficiency measures undertaken during the years have been provided in Directors Report under the head Energy Conservation Measures, Technology Adoption and Absorption.**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

**The Company operations doesn't produce any emissions/waste.**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**No show cause notice has been received from CPCB or SPCB during the FY 2021-22**

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

**Yes, The Company is a member of India Electronics & Semiconductors Association (IESA).**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

**Yes, the Company is actively involved in the following areas for advocating public good: a) Technology advancement ii) Safety and Skill Development;**

### Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**Not applicable**

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

**Not applicable**

3. Have you done any impact assessment of your initiative?

**No**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

**Not applicable**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Not applicable**

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

**We have not received any complaints from any of our customers during the financial year 2021-22. Hence no complaint is pending as on the end of the financial year**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

**The Company is purely service based company, it doesn't manufacture any products.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**No such case has been filed by stakeholders against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behavior any time during the last five years. Therefore, no such cases remain pending as on the end of the financial year 2021- 22.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Yes, The Company's Management regularly reviews the feedback/suggestions received by its sales personnel.**



To  
The Members  
MosChip Technologies Limited

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

**Opinion**

We have audited the accompanying Consolidated Financial Statements of MosChip Technologies Limited (the 'Parent Company') and its subsidiaries (the Company and its two subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidate Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for opinion**

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

**Key audit matters**

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

**Key Audit Matters**

Key Audit Matter	Auditor's Response
<p><b>Revenue recognition</b></p> <p>The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.</p> <p>The Group exercises judgments while determining the transaction price allocated to performance obligations. Revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.</p>	<p>Our audit procedures included specific evaluation of compliance with requirements of Ind AS 115, "Revenue from Contracts with Customers" including:</p> <ul style="list-style-type: none"> <li>➤ Testing of the design of internal controls relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.</li> <li>➤ We selected a sample of contracts with customers and performed the following procedures: <ul style="list-style-type: none"> <li>• Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement</li> <li>• Analysed and identified the distinct performance obligations in the contracts.</li> <li>• Compared the performance obligations with those identified and recorded by the Group.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used for recording revenue.</li> </ul> </li> </ul>
<p><b>Goodwill on business acquisition:</b></p> <p>Acquisition of businesses by the Group were recorded in accordance with Ind AS 103 Business Combinations. The application of this Ind AS involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 42 to the Consolidated Financial Statements. The carrying value of Goodwill resulting from such business combinations aggregated INR 7,185.63 lakhs as at 31st March 2022.</p> <p>As per Ind AS 36, 'Impairment of Assets', the goodwill acquired in business combination shall be tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. The assessment of impairment involves significant judgements and estimates. Due to the significance and complexity, this was considered as a Key Audit Matter.</p>	<p>Our audit procedures included verification of compliances with the requirements of Ind AS 103 and Ind AS 36. The following procedures were performed to test the goodwill on business acquisition:</p> <ul style="list-style-type: none"> <li>o Evaluated the internal sources and external sources of information to identify existence of impairment indicators.</li> <li>o Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses used in development of free cash flows by the management in assessment of cash generating units.</li> <li>o Assessed the discount rates by making reference to comparable companies within the same industry.</li> <li>o Reviewed the management plans for the foreseeable future and events / factors which have an impact on the relevant business.</li> <li>o Evaluated sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis.</li> <li>o Reviewed the financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumptions considered, which will have adverse impact on the recoverable value of such investments.</li> </ul>

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

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

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

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

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

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

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

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

**INDEPENDENT  
AUDITOR'S REPORT**

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Parent Company and Subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for audit opinion on the Consolidated Financial Statements.

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

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

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

**Other Matters**

We did not audit the financial statements / financial information of one foreign subsidiary, whose financial statements / financial information (before eliminating inter company balances) reflects total assets of Rs.1,994.12 lakhs as at 31st March 2022, total revenues of Rs. 6,441.63 lakhs and net cash inflows amounting to Rs.317.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Group's share of net profit (including other comprehensive income) of Rs.375.29 lakhs for the year ended 31 March 2022, as considered in the Consolidated Financial Statements, in respect of one foreign subsidiary, whose financial statements have been audited by other auditor, whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Parent Company and its subsidiaries which are incorporated in India as on 31 March,2022taken on record by the Board of Directors of respective companies, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March2022from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

**INDEPENDENT  
AUDITOR'S REPORT**

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

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

**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 Consolidated Financial Statements disclose the impact of pending litigations on its financial position of the Group
- ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or IndAS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiaries incorporated in India.
- iv.
  - a. The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

**INDEPENDENT  
AUDITOR'S REPORT**

**CONSOLIDATED**

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**Sreenivasa Rao T Mohite**  
Partner  
Membership No.015635  
**ICAI UDIN:22015635AHZTMS3036**

Place : Hyderabad  
Date : 28 April, 2022

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**INDEPENDENT  
AUDITOR'S REPORT**

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**Annexure 'A' to the Independent Auditor's Report**

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

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

In conjunction with our audit of the Consolidated financial statements of MosChip Technologies Limited ("the Parent Company") as of 31 March 2022, We have audited the internal financial controls over financial reporting of the Parent Company and its subsidiaries which are incorporated in India for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to Financial Statements.**

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



company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent limitations of Internal Financial Controls Over Financial Reporting.**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Parent Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Parent Company and its subsidiaries which are incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sreenivasa Rao T Mohite**  
Partner  
Membership No.015635  
ICAI UDIN:22015635AHZTMS3036

Place : Hyderabad  
Date : 28 April, 2022

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**CONSOLIDATED**

**CONSOLIDATED BALANCE SHEET**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

PARTICULARS	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	528.91	588.74
Right-of-Use Asset	4	846.89	-
Goodwill	42	7,185.63	7,185.63
Other Intangible assets	5	838.74	1,336.07
<b>Financial assets</b>			
Trade receivables	6	221.31	286.73
		<b>9,621.48</b>	<b>9,397.17</b>
<b>Current Assets</b>			
Inventories	7	188.93	216.95
<b>Financial assets</b>			
Trade receivables	8	4,131.39	3,496.64
Cash and cash equivalents	9 (a)	648.18	578.18
Other bank balances	9 (b)	31.40	28.67
Other financial assets	10	920.80	1,040.08
Current tax assets (net)		470.57	446.69
Other current assets	11	190.34	152.87
		<b>6,581.61</b>	<b>5,960.08</b>
<b>Total assets</b>		<b>16,203.09</b>	<b>15,357.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,196.93	3,155.88
Other equity	13	3,341.49	2,138.21
<b>Total equity</b>		<b>6,538.42</b>	<b>5,294.09</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	144.47	241.57
Lease liabilities	15	637.87	-
Other financial liabilities	16	375.84	375.84
Provisions	17	632.65	469.26
		<b>1,790.83</b>	<b>1,086.67</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	5,739.36	6,074.49
Lease liabilities	19	239.63	-
Trade payables	20	-	-
(a) total outstanding dues of micro & small enterprises		-	-
(b) total outstanding dues other than (a) above		1,429.40	2,023.67
Other financial liabilities	21	2.41	7.29
Other current liabilities	22	247.04	705.78
Provisions	23	216.00	165.26
		<b>7,873.84</b>	<b>8,976.49</b>
<b>Total current liabilities</b>		<b>7,873.84</b>	<b>8,976.49</b>
<b>Total liabilities</b>		<b>9,664.67</b>	<b>10,063.16</b>
<b>Total equity and liabilities</b>		<b>16,203.09</b>	<b>15,357.25</b>
See accompanying notes forming part of the Consolidated Financial Statements	1 to 47		

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

For and on behalf of the Board  
**MosChip Technologies Limited**

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**K. Ramachandra Reddy**  
Non Executive Director  
DIN : 00042172

**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635  
ICAI UDIN:22015635AHZTMS3036

**Jayaram Sunarla**  
Chief Financial Officer

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

# CONSOLIDATED

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

PARTICULARS	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>I Income</b>			
Revenue from operations	23	14,764.40	10,519.35
Other income	24	513.39	172.74
<b>Total Income</b>		<b>15,277.79</b>	<b>10,692.09</b>
<b>II Expenses</b>			
Cost of material consumed	25	215.62	375.33
Other operating expenses	26	1,254.73	1,133.29
Employee benefit expenses	27	10,228.13	7,328.65
Finance costs	28	860.50	857.08
Depreciation and amortisation expense	5a	1,264.14	917.98
Other expenses	29	808.75	988.62
<b>Total expense</b>		<b>14,631.87</b>	<b>11,600.95</b>
<b>III Profit / (Loss) before exceptional and tax ( I - II )</b>		<b>645.92</b>	<b>(908.86)</b>
<b>IV Exceptional Item</b>			
<b>V Profit / (Loss) before tax ( III - IV )</b>		<b>645.92</b>	<b>(908.86)</b>
<b>VI Tax expense</b>			
Current tax		0.62	0.82
Deferred tax	38	-	5.41
<b>Total tax expense</b>		<b>0.62</b>	<b>6.23</b>
<b>VII Profit / (Loss) after tax ( V - VI )</b>		<b>645.30</b>	<b>(915.09)</b>
<b>VIII Other comprehensive income</b>			
<b>A) Items that will not be reclassified to profit or loss:</b>			
Remeasurements of the defined benefit liabilities - (gain) / loss	34	101.57	73.66
<b>B) Items that will be reclassified to profit or loss:</b>			
Exchange difference on translating foreign operations		3.48	(7.62)
<b>Total Other Comprehensive (Income) / loss:</b>		<b>105.05</b>	<b>66.04</b>
<b>IX Total comprehensive income/ (loss) for the year ( VII - VIII )</b>		<b>540.25</b>	<b>(981.13)</b>
<b>Earnings per equity share (nominal value of INR 2) in INR</b>			
Basic	37	0.41	(0.58)
Diluted		0.39	(0.56)
See accompanying notes forming part of the Consolidated Financial Statements	1 to 47		

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

For and on behalf of the Board  
**MosChip Technologies Limited**

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**K. Ramachandra Reddy**  
Non Executive Director  
DIN : 00042172

**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635  
ICAI UDIN:22015635AHZTMS3036

**Jayaram Susarla**  
Chief Financial Officer

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

**CONSOLIDATED STATEMENT OF CASH FLOW****CONSOLIDATED**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Cash flow from operating activities</b>		
<b>Profit /(loss) before tax</b>	645.92	(908.86)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	678.57	402.67
Amortisation of intangible assets	585.58	515.31
Interest income	(7.68)	(19.76)
Finance costs	860.50	857.08
Allowances for doubtful receivables and bad debts written off (net)	59.49	263.75
Allowances for doubtful deposits (net)	264.48	-
Waiver of PPP loan	(180.89)	-
Write back of liabilities	(246.38)	(129.21)
Unrealized exchange (gain)/ loss (net)	(17.53)	31.92
Amorisation of share based payment cost	355.47	47.40
Provision for employee benefits	202.39	188.80
<b>Working capital adjustments:</b>		
(Increase)/ decrease in trade receivables Non Current	65.41	60.01
(Increase)/ decrease in inventories	28.02	59.64
(Increase)/ decrease in trade receivables current	(676.52)	(240.57)
(Increase)/ decrease in Financial asset	(159.47)	65.73
(Increase)/ decrease in Other current asset	(37.47)	(227.87)
Increase/ (decrease) in Provisions	(89.83)	(124.03)
Increase/ (decrease) in Trade Payable	(357.29)	(97.39)
Increase/ (decrease) in current liabilities	(463.62)	201.73
<b>Cash generated from / (used in) operating activities before taxes</b>	<b>1,509.15</b>	<b>946.35</b>
Income tax paid	(24.50)	137.37
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>1,484.65</b>	<b>1,083.72</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(358.15)	(12.19)
Purchase of other intangible assets	(78.84)	(55.63)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(2.74)	(9.62)
Interest received (finance income)	7.34	19.61
<b>Net cash flows used in investing activities (B)</b>	<b>(432.39)</b>	<b>(57.83)</b>
<b>C Cash flow from financing activities</b>		
Receipts on exercise of stock options	348.43	-
Proceeds / (repayment) from long term borrowings, net	(251.35)	275.81
Repayment of lease Liabilities	(215.36)	-
Finance cost paid	(860.50)	(1,051.68)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>(978.78)</b>	<b>(775.87)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>73.48</b>	<b>250.02</b>
Cash and cash equivalents at the beginning of the year	578.18	320.54
Movement in foreign currency translation reserve	(3.48)	7.62
<b>Cash and cash equivalents at the end of the year (refer note 9 (a) )</b>	<b>648.18</b>	<b>578.18</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 Consolidated Financial Statements 1 to 47

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

For and on behalf of the Board  
**MosChip Technologies Limited**

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**K. Ramachandra Reddy**  
Non Executive Director  
DIN : 00042172

**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635  
ICAI UDIN:22015635AHZTMS3036

**Jayaram Susarla**  
Chief Financial Officer

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

**CONSOLIDATED**

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

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

As of 1 April 2020		Change in Equity share Capital during the year		As at 31 March, 2021	
Shares	Amount in lakhs	Shares	Amount in lakhs	Shares	Amount in lakhs
157,793,932	3,155.88	-	-	157,793,932	3,155.88
As of 1 April 2021		Change in Equity share Capital during the year		As at March 31, 2022	
Shares	Amount in lakhs	Shares	Amount in lakhs	Shares	Amount in lakhs
157,793,932	3,155.88	2,052,793	41.05	159,846,725	3,196.93

**b. Other Equity**

Particulars	Share Application Money pending Allotment	Reserves and Surplus		Retained Earnings	Other Comprehensive Income	Total
		Capital reserve	Securities Premium			
Balance as at 1 April 2020	-	2,474.94	13,878.63	260.24	210.54	3,071.93
Loss for the year	-	-	-	(915.09)	-	(915.09)
Other comprehensive income (Net)	-	-	-	-	7.62	(66.04)
Total comprehensive income for the year	-	-	-	(915.09)	7.62	(881.13)
Amortised amount of share based payments to employees (net)	-	-	-	47.41	-	47.41
Balance as at 31 March 2021	-	2,474.94	13,878.63	307.65	218.16	2,138.21
Profit for the year	-	-	-	645.30	-	645.30
Other comprehensive income (Net)	-	-	-	-	(3.48)	(101.57)
Total comprehensive income for the year	2.56	-	-	-	(3.48)	(101.57)
Receipts on exercise of stock options	-	-	304.81	-	-	307.37
Reclassification of actuarial gain / loss to retained earnings	-	-	-	-	-	-
Transfer from share option outstanding account on exercise of stock options	-	-	102.92	(102.92)	-	-
Amortised amount of share based payments to employees (net)	-	-	-	355.66	-	355.66
Balance as at 31 March 2022	2.56	2,474.94	14,286.36	560.39	214.68	3,341.49

See accompanying notes forming part of the Consolidated Financial Statements 1-47

**As per our report of even date attached**

**For: ST Mohite & Co.,**

Chartered Accountants

ICAI Firm Reg.No. 011410S

**Sreenivasa Rao T Mohite**

Partner

Membership No. 0156635

ICAI UDIN:22015635AHZTMS0306

**For and on behalf of the Board**

**MosChip Technologies Limited**

**Venkata Sudhakar Simhaadri**

Managing Director & CEO

DIN:01883241

**Jayaram Susarla**

Chief Financial Officer

Place: Hyderabad

Date: 28 April 2022

**K. Ramachandra Reddy**

Non Executive Director

DIN:00042172

**Suresh Bachalakura**

Company Secretary

M.No.ACS 39381

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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## 1 Corporate Information

MosChip Technologies Limited ("the Company") was incorporated in 1999 as a private limited company under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) in 2001. The Registered office of the Company is situated at 7th Floor, "My Home Twitza", Hyderabad Knowledge City, Hyderabad - 500081. which is its principal place of business. As on 31 March 2022, the Company has two wholly owned subsidiary companies in India and USA, As on 31 March 2022, Mayuka Holdings Private Limited is the holding company of the Company.

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

The Consolidated Financial Statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 28 April 2022.

## 2 Significant accounting policies

### 2.1 Statement of Compliance

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

### 2.2 Basis of preparation of Consolidated Financial Statements:

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

These Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, 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 Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

### 2.3 Basis of Consolidation:

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

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

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

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

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

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

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

Following are the Subsidiary companies as on 31 March 2022 & 31 March 2021 and the same are consolidated for the purpose of this Consolidated Financial Statement.

Name of the Company	Country of Incorporation	% Holding as on 31 March 2022	% Holding as on 31 March 2021
Maven Systems Private Limited (Maven) *	India	-	100% Subsidiary
MosChip Technologies, USA (M USA)	USA	100% Subsidiary	100% Subsidiary
Moschip Institute Of Silicon Systems Private Limited (MISS)	India	100% Subsidiary	100% Subsidiary

\*Maven Systems Private Limited merged with MosChip wef. 1st April 2021

**2.4 Business Combinations**

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expenses as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

**2.5 Operating cycle**

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

**Assets :**

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

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities :**

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

### 2.6 Use of Estimates:

The preparation of consolidated financial statements requires the management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of consolidated financial statements, disclosure of contingent liabilities as at the date of the consolidated 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.

#### Critical accounting estimates

##### *(i) Revenue Recognition*

The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to describe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

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

The major tax jurisdictions for the Company are India and the United States of America. 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.

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

Property, plant and equipment represent a significant proportion of the asset base of the Group. 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 Group'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.

##### *(iv) 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.



**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

*(v) Business combinations and intangible assets*

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable net assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are generally conducted by independent valuation experts.

*(vi) Impairment of Goodwill*

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

*(vii) Defined benefit plans and compensated absences*

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

*(viii) Expected credit losses on financial assets*

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

*(ix) Other estimates*

The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

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

The Group 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 Group, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Group based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions.

**2.7 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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

### Depreciation

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
Mask Tools	5
Electrical Installation	10
Leasehold improvements	6
Lab Equipment's	5
Plant and Machinery	5
Furniture and fixtures	10
Office equipment's	5
Computers	3
Vehicles	10
Other Intangible assets	3 - 5 years

The estimated useful life of intangible assets (software) is 3 to 5 years and these are amortised on a straight line basis. Project specific intangible assets are amortised over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

Intellectual Property Rights ('IPR') comprise right to use for licensed software. The Group has recognised the IPR based on consideration paid. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortization and accumulated impairment losses. The IPR's are amortised over their estimated useful life of the asset on a straight line basis.

An item of Property, Plant & Equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 2.8 Leases

At inception of the contract, the Group determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in standalone statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### **Business Combination**

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expenses as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in standalone statement of profit or loss.

### **Goodwill and intangible assets**

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

## **2.9 Impairment of assets**

### **(i) Financial assets**

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

### (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.

### (iii) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

The Group estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

## 2.10 Inventories

**Components and parts / Raw material:** Components and parts are valued at lower of cost or net realizable value. Cost is determined on weighted average method.

### Finished Goods:

Finished goods are valued at the lower of the cost or net realisable value. Cost is determined on weighted average method.

### Projects in Progress / Work in Progress:

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

## 2.11 Revenue from operations

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

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

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

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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

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

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

(v) License agreements that require payment of license fees contain a single performance obligation that represents ongoing access to a portfolio of intellectual property over the license term since such agreements provide the licensee the right to access a portfolio of intellectual property that exists at inception of the license agreement and to updates and new intellectual property that is added to the licensed portfolio during the term of the agreement that are highly interdependent or interrelated. Since we expect to expend efforts to develop and transfer updates to our licensed portfolio on an even or specified timeline basis, license fees are recognized as revenues on a straight-line or milestone basis over the estimated period of benefit of the license to the licensee.

(vi) Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

(vii) Contract liability (unearned revenue) is recognised when there is billings in excess of revenues.

**Interest income**

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

**2.12 Foreign currency transactions**

The functional currency of the Group and its Indian subsidiaries are Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

**2.13 Foreign operations**

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

**2.14 Financial instruments**

Financial assets and liabilities are recognised when the Group 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.

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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

*Cash and cash equivalents*

The Group 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 assets at fair value*

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in 'other comprehensive income', for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments has made an irrevocable election to present in 'other comprehensive income', subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

*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.

**(ii) Derivative financial instruments and hedge accounting**

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows nominated in foreign currency. The Group uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Group designates some of these forward contracts / options as hedge instruments and accounts for them as cash flow hedges applying the recognition and measurement principles set out in Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Group's risk management policy approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The counter party to the Group's foreign currency forward contracts is generally a bank. The Group does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under 'effective portion of cash flow hedges' (net of taxes), and the ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the consolidated statement of profit and loss in the same period in which gains/losses on the item hedged are recognised in the consolidated statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the consolidated statement of profit and loss as they arise.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified as effective portion of cash flow hedges is classified to consolidated statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the consolidated statement of profit and loss for the period.

### (iii) Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risk and rewards of transferred financial assets, the Group continues to recognize the financial asset and also recognizes the borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or have expired.

### (iv) Financial Guarantee contracts

Financial guarantee contracts issued by the Group are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 Revenue.

## 2.15 Employee benefits

### a 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.

### b Defined contribution plans

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

### c Compensated absences:

The Group provides for compensated absences subject to Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number years of service of an employee. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the consolidated statement of profit and loss in the period in which they occur.

### d Other short-term employee benefits

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the Standalone statement of profit and loss during the period when the employee renders the service.

## 2.16 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

### 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.

### 2.17 Employee Stock Option Plans:

Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

The expense is recognized in the consolidated statement of profit and loss with a corresponding increase to the 'share option outstanding account', which is a component of equity.

### 2.18 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).

### 2.19 Provisions and contingent liabilities and contingent assets

A provision is recognized when the Group 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



**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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**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 Standalone 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 Standalone 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 Group 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 Group does not expect the amendment to have any significant impact in its financial statements.

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NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	₹ In lakhs											Total Tangible Assets
	Mask Tools	Electrical Installation	Leasehold improvements	Lab Equipment's	Plant and Machinery	Furniture and fixtures	Office equipment's	Computers	Vehicles	Right of Use Asset		
<b>Cost</b>												
At 31 March 2020	1,479.10	7.78	109.49	21.51	24.60	105.07	54.39	205.40	52.56	-	-	2,059.90
Additions / (Transfer)	-	-	-	26.95	-	-	-	18.37	-	-	-	45.32
Less: Deletions	-	6.08	109.49	-	18.17	68.06	35.66	60.29	0.00	-	-	297.65
Exchange Fluctuation	-	-	-	-	-	0.02	0.03	0.20	-	-	-	0.25
<b>At 31 Mar 2021</b>	<b>1,479.10</b>	<b>1.70</b>	<b>-</b>	<b>48.45</b>	<b>6.43</b>	<b>37.03</b>	<b>18.96</b>	<b>163.68</b>	<b>52.56</b>	<b>-</b>	<b>-</b>	<b>1,807.82</b>
Additions / (Transfer)	-	-	-	26.44	-	1.19	17.14	313.35	-	1,107.47	-	1,465.59
Less: Deletions	-	-	-	0.27	-	-	2.19	5.99	-	-	-	8.45
Exchange Fluctuation	-	-	-	-	-	0.03	0.05	0.21	-	-	-	0.29
<b>At 31 March 2022</b>	<b>1,479.10</b>	<b>1.70</b>	<b>-</b>	<b>74.62</b>	<b>6.43</b>	<b>38.25</b>	<b>33.86</b>	<b>471.24</b>	<b>52.56</b>	<b>1,107.47</b>	<b>-</b>	<b>3,265.25</b>
<b>Accumulated depreciation</b>												
At 31 March 2020	739.83	5.13	109.11	11.49	14.22	44.01	34.27	116.89	12.05	-	-	1,086.99
Charge for the year	296.75	1.41	0.38	8.77	5.92	32.94	13.04	36.98	6.48	-	-	402.67
Exchange Fluctuation	-	-	-	-	-	0.01	0.02	0.10	-	-	-	0.13
Less: Deletions	-	6.08	109.49	-	18.17	66.91	35.22	34.58	0.00	-	-	270.45
<b>At 31 Mar 2021</b>	<b>1,036.58</b>	<b>0.47</b>	<b>-</b>	<b>20.26</b>	<b>1.97</b>	<b>10.03</b>	<b>12.07</b>	<b>119.19</b>	<b>18.52</b>	<b>-</b>	<b>-</b>	<b>1,219.06</b>
Charge for the year	296.09	0.78	-	10.15	0.89	13.31	13.21	60.52	23.02	260.58	-	678.55
Less: Deletions	-	-	-	0.26	-	-	2.19	5.98	-	-	-	8.43
Exchange Fluctuation	-	-	-	-	-	0.02	0.05	0.19	-	-	-	0.25
<b>At 31 March 2022</b>	<b>1,332.67</b>	<b>1.25</b>	<b>-</b>	<b>30.15</b>	<b>2.86</b>	<b>23.37</b>	<b>23.13</b>	<b>173.92</b>	<b>41.54</b>	<b>260.58</b>	<b>-</b>	<b>1,889.45</b>
<b>Carrying amount</b>												
At 31 March 2020	739.26	2.65	0.38	10.02	10.38	61.06	20.13	88.50	40.52	-	-	972.91
At 31 March 2021	442.52	1.23	-	28.19	4.46	27.00	6.79	44.49	34.04	-	-	588.74
<b>At 31 March 2022</b>	<b>146.43</b>	<b>0.45</b>	<b>-</b>	<b>44.47</b>	<b>3.57</b>	<b>14.88</b>	<b>10.73</b>	<b>297.32</b>	<b>11.02</b>	<b>846.89</b>	<b>-</b>	<b>1,375.80</b>

4 Property, plant and equipment

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

**5 Intangible assets**

Particulars	Design & Development	Software	Total Intangible assets	Intangible assets under development
<b>Cost</b>				
<b>At 31 March 2020</b>	<b>2,365.77</b>	<b>9.03</b>	<b>2,374.80</b>	<b>337.99</b>
Additions / (Transfer)	381.36	-	381.36	(337.99)
Exchange Fluctuation	4.53		4.53	
Less: Deletions	-	9.03	9.03	-
<b>At 31 March 2021</b>	<b>2,751.66</b>	<b>-</b>	<b>2,751.66</b>	<b>-</b>
Additions / (Transfer)	78.84	-	78.84	
Less: Deletions	-	-	-	
Exchange Fluctuation	11.67	-	11.67	
<b>At 31 March 2022</b>	<b>2,842.17</b>	<b>-</b>	<b>2,842.17</b>	<b>-</b>
<b>Accumulated amortisation</b>				
<b>At 31 March 2020</b>	<b>903.82</b>	<b>6.17</b>	<b>909.99</b>	<b>-</b>
Charge for the year	512.45	2.86	515.31	-
Exchange Fluctuation	0.50	-	0.50	
Deletions	0.18	9.03	9.21	-
<b>At 31 March 2021</b>	<b>1,415.59</b>	<b>-</b>	<b>1,415.59</b>	<b>-</b>
Charge for the year	585.59	-	585.59	-
Deletions	-	-	-	-
Exchange Fluctuation	2.24	-	2.24	-
<b>At 31 March 2022</b>	<b>2,003.43</b>	<b>-</b>	<b>2,003.43</b>	<b>-</b>
<b>Carrying amount</b>				
At 31 March 2020	1,461.95	2.86	1,464.81	337.99
At 31 March 2021	1,336.07	-	1,336.07	-
<b>At 31 March 2022</b>	<b>838.74</b>	<b>-</b>	<b>838.74</b>	<b>-</b>

**5a Depreciation and amortisation expense**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation	678.55	402.67
Amortisation	585.59	515.31
<b>Total</b>	<b>1,264.14</b>	<b>917.98</b>

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>6 Trade receivables</b>		
<b>Non Current</b>		
Unsecured, considered good	221.31	286.73
Less: Allowance for doubtful trade receivables	-	-
	<b>221.31</b>	<b>286.73</b>

**Trade receivables ageing schedule as on 31 March 2022**

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	221.31	-	-	-	-	221.31
<b>Total</b>	<b>221.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221.31</b>

**Trade receivables ageing schedule as on 31 March 2021**

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	286.73	-	-	-	-	286.73
<b>Total</b>	<b>286.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286.73</b>

**7 Inventories \***

**Raw material**

Inventories consist of the following:

Hardware and Product Component for IoT

	188.93	216.95
	<b>188.93</b>	<b>216.95</b>

\* Inventories are carried at lower of cost and net realisable value.

**8 Trade receivables**

**Current**

**(i) Billed receivables**

Undisputed Trade receivables-considered good	3,334.02	2,753.16
Undisputed Trade receivables-considered doubtful	461.90	403.26
Less: Allowance for doubtful trade receivables	(461.90)	(403.26)
<b>Total receivables - billed</b>	<b>3,334.02</b>	<b>2,753.16</b>

**(ii) Trade receivables - Unbilled**

Trade receivables - Unbilled	797.37	743.48
<b>Total receivables (i+ii)</b>	<b>4,131.39</b>	<b>3,496.64</b>

**Trade receivables ageing schedule as on 31 March 2022**

Particulars	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed Trade receivables-considered good	2,397.93	29.11	271.72	283.34	351.92	3,334.02
Undisputed Trade receivables-considered doubtful	-	3.04	137.25	143.43	178.18	461.90
<b>Total</b>	<b>2,397.93</b>	<b>32.15</b>	<b>408.97</b>	<b>426.77</b>	<b>530.10</b>	<b>3,795.92</b>
Less: Allowance for doubtful trade receivables - Billed						(461.90)
<b>Trade receivables - Billed (Net)</b>						<b>3,334.02</b>
Trade receivables - Unbilled						797.37
<b>Total receivables</b>						<b>4,131.39</b>

**Trade receivables ageing schedule as on 31 March 2021**

Particulars	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed Trade receivables-considered good	1,651.02	326.14	369.06	115.88	291.07	2,753.16
Undisputed Trade receivables-considered doubtful	-	0.69	190.44	60.40	151.73	403.26
<b>Total</b>	<b>1,651.02</b>	<b>326.83</b>	<b>559.50</b>	<b>176.28</b>	<b>442.80</b>	<b>3,156.42</b>
Less: Allowance for doubtful trade receivables - Billed						(403.26)
<b>Trade receivables - Billed (Net)</b>						<b>2,753.16</b>
Trade receivables - Unbilled						743.48
<b>Total receivables</b>						<b>3,496.64</b>

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>9 (a) Cash and cash equivalents</b>		
Balances with banks:		
- in Current account	648.18	473.55
- in Deposit account	-	104.63
	<b>648.18</b>	<b>578.18</b>
<b>9 (b) Other bank balances</b>		
Term deposits with Banks with original maturities of less than 1 year*	31.40	28.67
<b>Total Other bank balances</b>	<b>31.40</b>	<b>28.67</b>
* Balances held as margin money/security deposit represents the deposits lodged with banks against guarantees issued by them		
<b>10 Other financial assets - current</b>		
Unsecured, considered good		
Security deposits (Gross)	1,171.21	1,021.06
Less: Provision for Doubtful Deposit	(264.48)	-
Security deposits (Net)	906.73	1,021.06
Earnest Money Deposits	13.82	18.42
Interest accrued on deposits	0.25	0.60
	<b>920.80</b>	<b>1,040.08</b>
<b>11 Other current assets</b>		
Unsecured, considered good		
Advances to employees	0.00	0.31
Indirect tax recoverable	3.96	0.41
Advance to Vendors	20.85	63.97
Prepaid expenses	165.53	88.18
	<b>190.34</b>	<b>152.87</b>
<b>12 Equity share capital</b>		
<b>Authorised Share Capital</b>		
282,755,000 (March 31, 2021: 282,705,000) equity shares of Rs.2 each	5,655.10	5,654.10
<b>Issued, subscribed and fully paid-up</b>		
160,044,195 (March 31, 2021: 157,991,402) equity shares of Rs.2/- each fully paid-up	3,200.88	3,159.83
Less: 197,470 (March 31, 2021: 197,470) Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	(3.95)	(3.95)
<b>Adjusted: Issued, subscribed and fully paid-up</b>	<b>3,196.93</b>	<b>3,155.88</b>

**(a) Reconciliation of number of Equity Shares and amount outstanding**

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of equity shares	Amount in lakhs	No. of equity shares	Amount in lakhs
Outstanding at the beginning of the year	1579,91,402	3,159.83	1579,91,402	3,159.83
Issued during the year	20,52,793	41.05	-	-
<b>Total</b>	<b>1600,44,195</b>	<b>3,200.88</b>	<b>1579,91,402</b>	<b>3,159.83</b>
Less: Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	1,97,470	3.95	1,97,470	3.95
<b>Adjusted : Issued, Subscribed and Paid up Share Capital</b>	<b>1598,46,725</b>	<b>3,196.93</b>	<b>1577,93,932</b>	<b>3,155.88</b>

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

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

**(c) Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of equity shares held	% of total share holding #	No. of equity shares held	% of total share holding #
Mayuka Holdings Private Limited *	817,27,739	51.07%	-	-
Oshine Global Pte Limited *	-	-	815,31,739	51.61%
EIJI Holdings Pte Limited (Ultimate holding Company) *	-	-	1,96,000	0.12%

# This percentage of holding is presented with reference to Issued, Subscribed and Paid up

\* Oshin Global Pte Limited and EIJI Holdings Pte Limited have merged with Mayuka Holdings Private Limited

**(d) Changes in Promoters Shareholding during the year**

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	No. of equity shares held	% holding	% of changes during the year	No. of equity shares held	% holding	% of changes during the year
Mayuka Holdings Private Limited *	817,27,739	51.07%	-	-	-	-
Oshin Global Pte Limited *	-	-	-	815,31,739	51.61%	-
EIJI Holdings Pte Limited (Ultimate holding Company) *	-	-	-	1,96,000	0.12%	-
Mr. Rama Chandra Reddy Kadiri	65,75,864	4.11%	-	74,98,592	4.75%	-
Mrs. K. Pratibha Reddy **	398	0.00%	-	398	0.00%	-
Mr. Damodar Rao Gummadapu	2,04,000	0.13%	-	2,04,000	0.13%	-

\* Oshin Global Pte Limited and EIJI Holdings Pte Limited have merged with Mayuka Holdings Private Limited.

\*\* Number of shares less than 1000

(e) Of the above issued shares 81,531,739 (31 March 2021 - 81,531,739) equity shares held by holding company namely Oshin Global Pte Ltd (Oshin) and 196,000 (31 March 2021 - 196,000) equity shares are held by Ultimate holding Company namely EIJI Holdings Pte Limited (EIJI), subsequently these shares were transferred to Mayuka Holdings Private Limited as Oshin and EIJI merged with Mayuka Holdings Private Limited.

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

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	As at 31 March 2022	As at 31 March 2021
<b>13 Other equity</b>		
<b>a) Capital Reserve</b>		
Balance at the beginning of the year	2,474.94	2,474.94
Forfeiture of share warrants	-	-
<b>Closing balance</b>	<b>2,474.94</b>	<b>2,474.94</b>
Capital reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on forfeiture of share warrants issued in the earlier years. The capital reserve can be utilised for issue of bonus shares.		
<b>b) Share Application Money pending Allotment</b>		
Balance at the beginning of the year	-	-
Receipts on exercise of stock options	2.56	-
<b>Closing balance</b>	<b>2.56</b>	<b>-</b>
<b>c) Securities Premium</b>		
Balance at the beginning of the year	13,878.63	13,878.63
Transfer from share option outstanding account on exercise of stock options	102.92	-
Receipts on exercise of stock options	304.81	-
<b>Closing balance</b>	<b>14,286.36</b>	<b>13,878.63</b>
Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued. The utilisation of the securities premium is governed by the Section 52 of the Act.		
<b>d) Share option outstanding account</b>		
Balance at the beginning of the year	307.65	260.24
Amorisation of Share based payment cost	355.66	47.41
Transfer from share option outstanding account on exercise of stock options	(102.92)	-
<b>Closing balance</b>	<b>560.39</b>	<b>307.65</b>
Share options outstanding account represents the fair value of services received against employees stock options outstanding as at balance sheet date. These will be transferred to securities premium account after the exercise of the underlying options.		
<b>e) Retained earnings</b>		
Balance at the beginning of the year	(14,646.52)	(13,731.43)
Reclassification of actuarial gain / loss to retained earnings	26.68	-
Profit / (Loss) for the year	645.30	(915.09)
<b>Closing balance</b>	<b>(13,974.54)</b>	<b>(14,646.52)</b>

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	As at 31 March 2022	As at 31 March 2021
<b>f) Other Comprehensive Income</b>		
<b>(i) Remeasurement of the net defined benefit plans</b>		
Balance at the beginning of the year	(94.65)	(20.99)
Reclassification of actuarial gain / loss to retained earnings	(26.68)	-
Additions during the year	(101.57)	(73.66)
Closing balance	<u>(222.90)</u>	<u>(94.65)</u>
<b>(ii) Foreign currency translation reserve (FCTR)</b>		
Balance at the beginning of the year	218.16	210.54
Additions during the year	(3.48)	7.62
Closing balance	<u>214.68</u>	<u>218.16</u>
The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.		
<b>Total other equity (a)+(b)+(c)+(d)+(e)+(f)</b>	<u><b>3,341.49</b></u>	<u><b>2,138.21</b></u>
<b>14 Borrowings</b>		
<b>Non current</b>		
<b>Measured at amortised cost</b>		
<b>Unsecured</b>		
- From banks (refer note i)	136.80	229.99
<b>Vehicle loans</b>		
<b>Secured</b>		
- From banks (refer note ii)	7.67	11.58
	<u><b>144.47</b></u>	<u><b>241.57</b></u>
i The bank has sanctioned Rs. 2.88 crores of additional loan under the scheme of Guaranteed Emergency Credit Line (GECL) with interest rate of 8.25%, which will be paid over a period of 36 months from Aug'21.		
ii Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 7 years and carry interest rate ranging between 9.4 % per annum.		
<b>15 Non current Lease liabilities</b>		
Lease liability (refer note 36)	637.87	-
	<u><b>637.87</b></u>	<u>-</u>
<b>16 Other financial liabilities</b>		
<b>Non Current</b>		
Royalty Payable	375.84	375.84
	<u><b>375.84</b></u>	<u><b>375.84</b></u>



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	As at 31 March 2022	As at 31 March 2021
<b>17 Provisions</b>		
<b>Non-Current</b>		
Provision for employee benefits		
- Gratuity (refer note 34)	432.12	321.98
- Compensated absences	182.17	131.29
Provision for Warranty	18.36	15.99
	<b>632.65</b>	<b>469.26</b>
<b>18 Current - Borrowings</b>		
<b>Unsecured Borrowings</b>		
<b>Working Capital Loans</b>		
- From banks (refer note i)	1,753.60	1,658.33
<b>Others</b>		
- From related parties (refer note 31)	3,850.95	4,355.10
- From banks (refer note ii)	38.25	-
<b>Current maturities of long term borrowings</b>		
- From banks (refer note iii)	96.56	61.06
	<b>5,739.36</b>	<b>6,074.49</b>
<b>Note</b>		
i) The Group has obtained Over Draft facility from bank for an amount of Rs.20.00 crores, which is secured by charge on time deposit of third party offered as collateral security.		
ii) During the current year HDFC has sanction unsecured capital expenditure loan amount of Rs. 50 lakhs for the duration of 12 months.		
iii) Current maturities of long term loans refer note 14.		
<b>19 Lease liabilities- Current</b>		
Lease liability (refer note 36)	239.63	-
	<b>239.63</b>	<b>-</b>

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	As at 31 March 2022	As at 31 March 2021
<b>20 Trade payable</b>		
(a) total outstanding dues of micro and small enterprises (refer note 35)	-	-
(b) total outstanding dues other than (a) above	1,429.40	2,023.67
	<b>1,429.40</b>	<b>2,023.67</b>

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

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	255.91	110.92	10.19	8.81	663.14	1,048.97
<b>Total</b>	<b>255.91</b>	<b>110.92</b>	<b>10.19</b>	<b>8.81</b>	<b>663.14</b>	<b>1,048.97</b>
Accrued expenses						380.43
<b>Total payables</b>						<b>1,429.40</b>

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

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME		-	-	-	-	-
(ii) Others	117.89	517.73	90.30	40.27	674.16	1,440.35
<b>Total</b>	<b>117.89</b>	<b>517.73</b>	<b>90.30</b>	<b>40.27</b>	<b>674.16</b>	<b>1,440.35</b>
Accrued expenses						583.32
<b>Total payables</b>						<b>2,023.67</b>

**21 Current**

Capital creditors	2.41	7.29
	<b>2.41</b>	<b>7.29</b>

**22 Other liabilities current**

Statutory liabilities	241.69	645.70
Advance from customer	-	8.16
Revenue received in advance	5.35	51.92
	<b>247.04</b>	<b>705.78</b>

**23 Provisions Current**

Provision for employee benefits	115.77	89.07
- Gratuity (refer note 34)	100.23	76.19
- Compensated absences	<b>216.00</b>	<b>165.26</b>

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	As at 31 March 2022	As at 31 March 2021
<b>23 Revenue from operations</b>		
Semiconductor services & Products	13,036.15	9,022.97
Embedded services & Products	1,728.25	1,496.38
	<b>14,764.40</b>	<b>10,519.35</b>
<b>24 Other income</b>		
Interest income	2.87	7.89
Interest on Income-tax refund	4.81	11.87
Foreign exchange gain / (loss) (net)	40.56	(43.06)
Interest Income on financial assets carried at fair value	37.88	40.63
Write back of liabilities	246.38	129.21
Loan Waive off	180.89	9.20
Others	0.00	17.00
	<b>513.39</b>	<b>172.74</b>
<b>25 Cost of material consumed</b>		
Opening stock	216.95	276.59
Add: Purchases during the year	187.60	315.69
Less: Closing stock	188.93	216.95
	<b>215.62</b>	<b>375.33</b>
<b>26 Other operating expenses</b>		
Outsourcing Services	824.46	542.42
Software tools cost	370.34	355.81
Installation & Data Charges	11.44	106.46
Job work Charges	24.85	125.66
Subscription charges	23.64	2.94
	<b>1,254.73</b>	<b>1,133.29</b>
<b>27 Employee benefits expense</b>		
Salaries, wages and bonus	9,454.63	6,970.30
Contribution to provident fund, gratuity and other funds	242.59	199.76
Share based payment to employees	355.47	47.40
Staff welfare expenses	175.44	111.19
	<b>10,228.13</b>	<b>7,328.65</b>
<b>28 Finance costs</b>		
Interest on working capital loan	129.68	155.01
Interest on other loans	667.14	689.75
Interest on Leased Liability	54.64	-
Bank charges	9.04	12.32
	<b>860.50</b>	<b>857.08</b>

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**CONSOLIDATED**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>29 Other expenses</b>		
Software expenses	22.31	14.43
Power and fuel	8.55	28.79
Director sitting fee	12.45	11.94
Repairs and maintenance	11.36	3.65
Auditors remuneration (refer note 33)	25.00	23.75
Postage, telegram and telephone expenses	6.69	6.28
Lease rentals (refer note 36)	93.74	197.18
Rent on equipment's	58.97	31.53
Business promotion and advertisement expenses	11.75	92.78
Security expenses	4.38	8.15
Travelling and conveyance	55.72	33.67
Rates and taxes	15.44	12.95
Professional charges	58.81	52.86
Printing and stationary	2.79	0.50
Communication expenses	21.76	17.35
Insurance	7.01	7.10
Office maintenance	24.68	31.16
General expenses	43.37	150.80
Allowances for Doubtful Receivables	58.50	263.75
Bad debts written off	0.99	-
Allowances for Doubtful deposits (net)	264.48	-
	<b>808.75</b>	<b>988.62</b>

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(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

**30 Contingent liabilities and commitments**

Particulars	As at 31 March 22	As at 31 March 21
Contingent liabilities:		
- Bank guarantees issued	31.40	28.67
- Claims against the Company not acknowledged as dept	1057.93	-

The Company disputed demand raised by income tax authorities for the assessment years 2019-20 which are pending commissioner appeals. The aggregate amount of disputed tax not provided for is ₹ 1,057.93 lakhs (March 31, 2021 - ₹ 1,057.93 lakhs). The Company is confident that these appeals will be decided in its favour.

**31 Related party disclosures**

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

Name of the parties	Relation as on 31 March 2022
<b>Holding Company</b>	
Mayuka Holdings Private Limited **	Holding Company
EIJI Holding Pte Limited **	Ultimate Holding Company
Oshin Global Pte Limited **	Holding Company
<b>Directors and relatives *</b>	
Mr. Damodar Rao Gummadapu	Non-Executive Director.
Mr. K Ramachandra Reddy	Non-Executive Director.
Mrs. Asha Nimmagadda	Relative of Promoter of Holding company
<b>Key Management Personnel and relatives *</b>	
Mr. Venkata Sudhakar Simhadri - Managing Director & Chief Executive Officer"	Key Management Personnel
Mr. Jayaram Susarla - Chief Financial Officer	Key Management Personnel
Mr. Suresh Bachalakura - Company Secretary	Key Management Personnel
<b>Others*</b>	
Magica Sports Ventures Private Limited	Common Director in Holding company and Magica Sports
Blaster Sports Private Limited	Common Director in Holding company and Blaster Sports
Techwave Consulting Inc, USA	Director has significant influence
Techwave Infotech Private Limited	Director has significant influence
Techwave Infotech Pte Ltd	Director has significant influence
Jaagruthi Info Technologies Private Limited	Director has significant influence
* In terms of Para 18 of Ind AS 24, the above list represents only the Companies, directors, KMP's and relatives, who are having transactions with the Group.	
** Oshin Global Pte Limited and EIJI Holdings Pte Limited have merged with Mayuka Holdings Private Limited	
As per clause 8 of general instruction to Division II of Schedule III to the Companies Act, the above related parties are identified as per the terms and meaning assigned in Ind AS 24 Related Party Disclosures.	

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

Particulars	Year ended 31 March 22	Year ended 31 March 21
<b>Loans received from</b>		
Mayuka Holdings Private Limited	-	100.00
<b>Loans repayment</b>		
Jaagruthi Info Technologies Private Limited	-	100.00
Mayuka Holdings Private Limited	400.00	
<b>Interest expenses</b>		
Jaagruthi Info Technologies Private Limited	-	16.29
Mrs. Asha Nimmagadda	90.00	90.00
Mayuka Holdings Private Limited	577.14	583.45
<b>Other expenses / (Income)</b>		
Magica Sports Ventures Private Limited	-	(61.44)
Blaster Sports Private Limited	-	90.00
Techwave Infotech Pte Ltd	-	0.37
<b>Transactions with Key Management Personal</b>		
Remuneration to Managing Director and CEO	224.00	163.20
Interest on loan given by Managing Director and CEO	4.40	10.87
Number of Stock Options Granted/outstanding to Managing Director and CEO	12.00	12.00
Remuneration to other Key Management Personal (including perquisite on exercise of ESOP options)	131.42	67.78
Number of Stock Options Granted/outstanding to other Key Management Personnel	3.63	5.40
Remuneration disclosed above does not include insurance and other employee benefits (Gratuity and compensated absences). Gratuity and compensated absences is accrued in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.		

c) Balances outstanding:

Particulars	As at 31 March 22	As at 31 March 21
<b>Trade and other payables</b>		
Techwave Infotech Private Limited	492.64	523.73
Techwave Infotech Pte Ltd	0.37	0.37
<b>Loan &amp; Interest Payable</b>		
Mapple Enterprises Private Limited	-	
Mayuka Holdings Private Limited	3,850.95	4,250.95
Mr. Venkata Sudhakar Simhadri	-	104.14

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(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

**d) Terms and conditions of transactions with related parties:**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**32 Segment information**

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

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

Information on reportable segments for the year ended 31 March 2022 and 31 March 2021 is given below:

**A Business Segment**

	<b>Year ended 31 March 22</b>	<b>Year ended 31 March 21</b>
<b>Revenue</b>		
Semiconductor	13,036.15	9,022.97
Embedded	1,728.25	1,496.38
<b>Total</b>	<b>14,764.40</b>	<b>10,519.35</b>
<b>Direct cost</b>		
Semiconductor	8,534.22	6,336.44
Embedded	1,936.77	1,606.41
<b>Segment operational income</b>		
Semiconductor	4,501.93	2,686.53
Embedded	(208.52)	(110.03)
<b>Total Operational income</b>	<b>4,293.41</b>	<b>2,576.50</b>
Other Income	513.39	172.74
Un allocated expenses	(2,036.24)	(1,883.04)
Finance charges	(860.50)	(857.08)
Depreciation and Amortisation expenses	(1,264.14)	(917.98)
<b>Profit / (loss) before tax</b>	<b>645.92</b>	<b>(908.86)</b>
Tax expenses	0.62	6.23
<b>Profit / (loss) after tax</b>	<b>645.30</b>	<b>(915.09)</b>

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**Statement of Segment assets and Segment liabilities**

	As at 31 March 22	As at 31 March 21
<b>Segment assets</b>		
Semiconductor	10,663.48	10,326.34
Embedded	3,956.97	4,548.38
Un allocable segment assets	1,582.64	482.53
<b>Total</b>	<b>16,203.09</b>	<b>15,357.25</b>
<b>Segment Liabilities</b>		
Semiconductor	879.00	1,077.07
Embedded	92.34	392.97
Un allocable segment Liabilities	8,693.33	8,593.12
<b>Total</b>	<b>9,664.67</b>	<b>10,063.16</b>
<b>Capital employed</b>	<b>6,538.42</b>	<b>5,294.09</b>

**B. Secondary Segment information**

	Year ended 31 March 22	Year ended 31 March 21
<b>1. Information regarding geographical revenue is as follows:</b>		
Within India	7,842.85	6,119.82
Outside India	6,921.55	4,399.53
<b>Total</b>	<b>14,764.40</b>	<b>10,519.35</b>
<b>2. Information regarding geographical Non-Current assets is as follows:</b>	As at	As at
	31 March 22	31 March 21
Within India	9,372.79	9,034.36
Outside India	248.69	362.81
<b>Total</b>	<b>9,621.48</b>	<b>9,397.17</b>

Management believes that it is currently not practicable to provide disclosure of geographical location wise assets, since the meaningful segregation of available information is onerous.

**33 Auditors' remuneration**

Particulars	Year ended 31 March 22	Year ended 31 March 21
Statutory audit fee	10.62	10.32
Tax audit fee	1.13	1.30
Other services (Incl. limited reviews)	13.25	12.13
<b>Total</b>	<b>25.00</b>	<b>23.75</b>

**34 Details of employee benefits as required by the INDAS-19 – Employee Benefits are as under:**

**i. Defined Contribution Plans**

The Group makes contributions to Provident Fund which is defined contribution plans for qualifying employees. Under these Schemes, the Group contributes a specified percentage of the payroll costs to the respective funds.

The Group has recognized as an expense in the Statement of Profit and Loss Rs. 134.63 lakhs ( 31 March 2021: 108.22 lakhs) for Provident Fund contributions.

**ii. Defined Benefit Plan**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded.



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The following table sets out the Changes in Defined Benefit Obligation ('DBO') and planned assets recognized in the Balance Sheet are as under.

Particulars	As at 31 March 22	As at 31 March 21
<b>Defined benefit obligation at the beginning of the year</b>	<b>417.17</b>	<b>353.91</b>
Service cost	83.35	67.50
Interest cost	17.50	15.41
Benefits paid	(50.28)	(94.96)
Actuarial gain	102.47	75.31
<b>Defined benefit obligation at the end of the year</b>	<b>570.21</b>	<b>417.17</b>
<b>Change in Fair Value of Plan Assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	<b>6.11</b>	<b>3.41</b>
Employer Contributions	65.58	66.21
Interest income on Plan Assets		(1.44)
Actuarial (gain)/loss on plan assets	0.90	1.65
Others (Business combinations)		
Benefits Paid	(50.27)	(63.72)
<b>Fair value of plan assets at the end of the year</b>	<b>22.32</b>	<b>6.11</b>
Present value of projected benefit obligation at the end of the year	570.21	417.17
Fair value of plan assets at the end of the year	22.32	6.11
<b>Net liability recognised in the balance sheet</b>	<b>547.89</b>	<b>411.05</b>
Non Current provision	432.12	321.98
Current provision	115.77	89.07

Expenses recognised in statement of profit and loss	Year ended 31 March 22	Year ended 31 March 21
Service cost	83.35	67.50
Interest cost (Incl. Interest on asset)	17.50	16.85
Expenses recognised in statement of profit and loss	100.85	84.35
<b>Gratuity cost</b>		
Actuarial gain / (loss) due to financial assumption changes	(10.71)	8.00
Actuarial gain / (loss) due to experience adjustments	113.18	67.31
Return on plan assets greater (less) than discount rate	(0.90)	(1.65)
<b>Total expenses routed through OCI</b>	<b>101.57</b>	<b>73.66</b>

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<b>Assumptions</b>	<b>As at 31 March 22</b>	<b>As at 31 March 21</b>
Discount rate	5.35%	4.85%
Future salary increases	7.00%	7.00%
Employee turnover		
Age Years		
21-30	32.00%	32.18%
31-40	36.00%	35.96%
41-50	16.00%	15.96%
51-59	22.00%	21.86%

**Sensitivity Analysis**

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

	<b>As at 31 March 22</b>	<b>As at 31 March 21</b>
Effect of + 0.5% change in rate of discounting	-1.84%	(1.92)%
Effect of - 0.5% change in rate of discounting	1.91%	2.00%
Effect of + 0.5% change in rate of salary increase	1.70%	1.77%
Effect of - 0.5% change in rate of salary increase	-1.67%	(1.74)%

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

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

The Group sought the information from all the suppliers about MSME registrations. Based on the information available with the Group, 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.

**36 Leases**

- a The Group 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 Group has concluded that all lease agreements are cancellable, hence there are no leases which falls under Ind AS 116 Leases.

- b **Lease Expenses recognised in Profit and Loss statement not included in the measurement of lease liabilities:**

<b>Particulars</b>	<b>Year ended 31 March 22</b>	<b>Year ended 31 March 21</b>
Variable lease payments	-	-
Expenses relating to Short term Leases	93.74	197.18
Expenses relating to low value assets, excluding short term leases low value assets	-	-

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**c The movement in lease liabilities is as follows:**

Particulars	Year ended 31 March 22	Year ended 31 March 21
Balance at the beginning	-	-
Additions	1,092.86	-
Finance cost accrued during the year	54.64	-
Payment of lease liabilities	(270.00)	-
<b>Balance at the end</b>	<b>877.50</b>	-

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	Year ended 31 March 22	Year ended 31 March 21
Less than one year	239.63	-
One to five years	637.87	-
<b>Total</b>	<b>877.50</b>	-

The total Cash outflow for leases (excluding short term leases) for the year ended 31 March 2022 is Rs 215.36 Lakhs (31 March 2021: Nil)

**37 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:

All amounts in lakhs, except for EPS and Shares

Particulars	Year ended 31 March 22	Year ended 31 March 21
Profit / (loss) for the year	645.30	(915.09)
Profit / (loss) attributable to equity share holders	645.30	(915.09)
Equity Shares outstanding as at the end of the year (in nos.)	16,00,44,195	15,79,91,402
Weighted average number of Equity Shares used as a denominator for calculating Basic Earnings Per Share	15,88,40,879	15,79,91,402
Add: Dilutive impact of employee stock options	88,81,974	52,77,299
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	16,77,22,853	16,32,68,701
Earnings per share of par value ₹ 2 – Basic (₹)	0.41	(0.58)
Earnings per share of par value ₹ 2 – Diluted (₹)	0.39	(0.56)

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**38 Deferred Tax**

Computation of Deferred Tax	Year ended 31 March 22	Year ended 31 March 21
<b>Opening Balance</b>	-	<b>5.41</b>
Depreciation	-	(5.41)
Total Timing Difference	-	(5.41)
<b>Net Deferred Tax Asset / (Liability)</b>	-	-

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

Particulars	For the year ended 31 March 2021			
	Opening Balance	Others	Recognized current year	Closing Balance
Other items	5.41	-	(5.41)	-
Net Deferred Tax Asset / (Liability)	5.41	-	(5.41)	-

\* Other Items include Opening Balance of Deferred Tax Assets of amalgamating companies

**39 Employee Stock Option Plans**

The Employee Option Plans are designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The Group has established seven schemes i.e., Employee Stock Option Plan, MosChip Stock Option Plan 2005 (MI), MosChip Stock Option Plan 2005 (WOS), MosChip Stock Option Plan 2008, MosChip Stock Option Plan 2008(ALR), MosChip Stock Option Plan 2008(Director) and MosChip Stock Option Plan 2018 with 600,000 equity shares, 500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares and 10,000,000 equity shares respectively.

Out of above plans the Company has granted options during the year ended 31 March 2022 in Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2005 (MI) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008 (ALR), Moschip Stock Option Plan 2008 (Director) and Moschip Stock Option Plan 2018.

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

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

Particulars	For Year Ended 31 March 2022					
	MosChip Stock Option Plan 2008	MosChip Stock Option Plan 2005 (MI)	MosChip Stock Option Plan 2005 (WOS)	MosChip Stock Option Plan 2008 (ALR)	MosChip Stock Option Plan 2008 (Director)	MosChip Stock Option Plan 2018
Options outstanding at the beginning of the year	14,30,000	4,00,000	25,000	9,50,000	10,00,000	53,97,000
Granted during the year	2,15,000	-	2,95,000	2,44,500	-	38,88,500
Forfeited during the year	60,584	-	15,000	1,97,501	-	5,20,381
Exercised during the year	5,29,327	2,68,381	18,750	3,91,665	-	8,44,670
Options outstanding at the end of the year	10,55,089	1,31,619	2,86,250	6,05,334	10,00,000	79,20,449

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

For Year Ended 31 March 2021						
Particulars	MosChip Stock Option Plan 2008	MosChip Stock Option Plan 2005 (M)	MosChip Stock Option Plan 2005 (WOS)	MosChip Stock Option Plan 2008 (ALR)	MosChip Stock Option Plan 2008 (Director)	MosChip Stock Option Plan 2018
Options outstanding at the beginning of the year	10,96,500	2,50,000	1,99,000	4,91,000	10,00,000	-
Granted during the year	5,87,000	1,50,000	-	5,09,000	-	56,11,000
Forfeited during the year	2,53,500	-	1,74,000	50,000	-	2,14,000
Exercised during the year						
Options outstanding at the end of the year	14,30,000	4,00,000	25,000	9,50,000	10,00,000	53,97,000

During the current year we have made reserve towards outstanding of ESOP's and Share based payment expenses for the year ended 31 March 2022 of Rs. 355.66 lakhs (31 March 2021 Rs. 47.40 lakhs).

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2021 was Rs. 43.29 (31 March 2021 – INR Not Applicable).

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2022.

31 Mar 2022							
Grant date	26-Oct-18	20-Jul-20	25-Jan-21	27-Apr-21	20-Jul-21	20-Oct-21	17-Jan-22
Expiry date	4 Years	3 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Excise price	₹ 18.00	₹ 16.00	₹ 16.00	₹ 18.00	₹ 24.00	₹ 31.28	₹ 40.00
Share options	15,70,000	46,45,741	4,00,000	4,25,000	20,93,000	1,25,000	17,40,000

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2021:

31 Mar 2021				
Grant date	25-Jan-21	20-Jul-20	26-Oct-18	12-Aug-15
Expiry date	4 Years	3 Years	4 Years	4 Years
Excise price	₹ 16.00	₹ 16.00	₹ 18.00	₹ 5.98
Share options	4,00,000	61,93,000	26,09,000	20,000

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**Valuation of stock options:**

The fair value of services received in return for stock options granted to employees is measured by reference to the fair value of stock options granted. The fair value of stock options granted under various schemes have been measured using the Black-Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of par value options granted, the expected term of an option (or "option life") is estimated based on the vesting term and contractual term, as well as the expected exercise behavior of the employees receiving the option. In respect of fair market value options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. Dividend yield of the options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years.

The estimated fair value of stock options is recognised in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The model inputs for options granted during the year ended 31 March 2022 included:

Grant Date	26-Oct-18	20-Jul-20	25-Jan-21	27-Apr-21	20-Jul-21	20-Oct-21	17-Jan-22
Vesting Period	4 Years	3 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Expiry Date	26-Oct-25	20-Jul-26	25-Jan-28	27-Apr-28	20-Jul-28	20-Oct-28	17-Jan-29
Excise Price	₹ 18.00	₹ 16.00	₹ 16.00	₹ 18.00	₹ 24.00	₹ 31.28	₹ 40.00
Share Price at Grant date	₹ 23.50	₹ 14.80	₹ 15.00	₹ 30.85	₹ 44.96	₹ 47.55	₹ 81.05
Expected price volatility of the company's shares	53%	55%	61%	60%	68%	66%	68%
Expected dividend yield	-	-	-	-	-	-	-
Risk free interest rate	8.04%	4.55%	4.58%	4.58%	4.58%	4.58%	5.21%

The model inputs for options granted during the year ended 31 March 2021 included:

Grant Date	20-Jul-20	26-Oct-18	12-Aug-15
Expiry Date	19-Jul-26	24-Oct-25	11-Aug-22
Excise Price	₹ 16.00	₹ 18.00	₹ 5.98
Share Price at Grant date	₹ 13.80	₹ 22.00	₹ 5.98
Expected price volatility of the company's shares	67.00%	58.33%	70.17%
Expected dividend yield	-	-	-
Risk free interest rate	4.55%	8.04%	6.60%

**40 Financial Risk Management Framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

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**(a) Financial Instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2022 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments not in hedging relationship	Amortised Cost	Total carrying value*
<b>Financial asset</b>					
Trade receivables - Non current	221.31	-	-	-	221.31
Trade receivables - Current	-	-	-	4,131.39	4,131.39
Cash and cash equivalents	-	-	-	648.18	648.18
Other bank balances	-	-	-	31.40	31.40
Other financial assets	-	-	-	920.80	920.80
<b>Total</b>	<b>221.31</b>	<b>-</b>	<b>-</b>	<b>5,731.77</b>	<b>5,953.08</b>
<b>Financial liabilities</b>					
Borrowings long term	-	-	-	144.47	144.47
Lease liabilities - Non current	-	-	-	637.87	637.87
Other financial liabilities - Non current	-	-	-	375.84	375.84
Borrowings short term	-	-	-	5,739.36	5,739.36
Current liabilities - Lease liabilities	-	-	-	239.63	239.63
Trade payables	-	-	-	1,429.40	1,429.40
Other financial liabilities - Current	-	-	-	2.41	2.41
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,568.98</b>	<b>8,568.98</b>

The carrying value and fair value of financial instruments by categories as at March 31, 2021 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments not in hedging relationship	Amortised Cost	Total carrying value*
<b>Financial asset</b>					
Trade receivables - Non current	286.73	-	-	-	286.73
Trade receivables - current	-	-	-	3,496.64	3,496.64
Cash and cash equivalents	-	-	-	578.18	578.18
Other bank balances	-	-	-	28.67	28.67
Other financial assets	-	-	-	1,040.08	1,040.08
<b>Total</b>	<b>286.73</b>	<b>-</b>	<b>-</b>	<b>5,143.57</b>	<b>5,430.30</b>
<b>Financial liabilities</b>					
Borrowings - long term	-	-	-	241.57	241.57
Other financial liabilities - Non current	-	-	-	375.84	375.84
Borrowings - short term	-	-	-	6,074.49	6,074.49
Trade payables	-	-	-	2,023.67	2,023.67
Other financial liabilities - Current	-	-	-	7.29	7.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,722.86</b>	<b>8,722.86</b>

\*The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled receivables, loans, trade payables, borrowing and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

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**(b) Financial risk management objectives and policies**

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt and the interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group debt obligations with interest rates.

**Interest rate sensitivity**

If interest rates had been 1.00 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2022 would decrease/increase by Rs. 65.30 lakhs (31 March 2021: decrease/increase by Rs. 69.63 lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

**Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 5,953.08 lakhs and ₹ 5,430.30 lakhs as of 31 March 2022 and 31 March 2021 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks and other financial assets.

**Trade receivables**

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss allowance is based on the ageing of receivables and the rates in the provision matrix. Movement in the expected credit loss allowance is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the year</b>	403.26	178.01
Movement in the expected credit loss allowance on trade receivables and other financial assets:		
Provided during the year	58.50	240.84
Reversed/utilised during the year	-	(15.39)
Translation Adjustment	0.14	(0.20)
<b>Balance at the end of the year</b>	<b>461.90</b>	<b>403.26</b>



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**Concentration Risk**

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks with high credit ratings assigned by credit rating agencies.

Trade receivable - The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is single customer contributing more than 36% of outstanding trade receivables and unbilled revenues.

**Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022:

	On demand	Less than 1 year	1 to 3 years	3 to 5 years	>5 years	Total
<b>Year ended March 31, 2022</b>						
Borrowings - long term	-	104.88	39.58	-	-	144.47
Lease Liabilities - Noncurrent	-	265.78	372.09	-	-	637.88
Other Financial Liabilities - long term	-	375.84			-	375.84
Borrowings - short term	5,739.36	-	-	-	-	5,739.36
Lease Liabilities	239.63	-	-	-	-	239.63
Trade payables	1,429.40	-	-	-	-	1,429.40
Other Financial Liabilities - current	2.41	-	-	-	-	2.41

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021:

	On demand	Less than 1 year	1 to 3 years	3 to 5 years	>5 years	Total
<b>Year ended March 31, 2021</b>						
Borrowings - long term		60.39	181.18	-	-	241.57
Other Financial Liabilities - long term	-	281.88	93.96	-	-	375.84
Borrowings - short term	6,074.49	-	-	-	-	6,074.49
Trade payables	2,023.67	-	-	-	-	2,023.67
Other Financial Liabilities - current	7.29	-	-	-	-	7.29

**41 Capital management**

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

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The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

<b>Particulars</b>	<b>As at 31 March 22</b>	<b>As at 31 March 21</b>
Total equity attributable to the equity shareholders of the Company	6,538.42	5,294.09
As a percentage of total capital	53%	46%
Long term borrowings including current maturities	144.47	241.57
Short term borrowings	5,739.36	6,074.49
Total borrowings	5,883.83	6,316.06
As a percentage of total capital	47%	54%
Total capital (equity and borrowings)	12,422.25	11,610.15

**42 Goodwill**

Following is the summary of changes in carrying amount of goodwill:

	<b>As at 31 March 22</b>	<b>As at 31 March 21</b>
Balance at the beginning of the year	7,185.63	7,185.63
On addition/ acquisition during the year	-	-
Impairment of Goodwill	-	-
<b>Balance at the end of the year</b>	<b>7,185.63</b>	<b>7,185.63</b>

Goodwill impairment testing has been carried out, the recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

**The key assumptions used are as follows:**

**Budgeted Projections:**

The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.

**Budgeted gross margins:**

Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements.

**Price inflation:**

The values assigned to the key assumption are consistent with external sources of information.

**43 Merger of Maven Systems Private Limited**

Maven Systems Private Limited ("Maven") a Wholly owned Subsidiary of MosChip Technologies Limited ("MosChip") was merged with MosChip, effective from 1 April 2021. Pursuant to the Scheme of amalgamation. All the assets and liabilities and reserves stand transferred and vested in MosChip. The amalgamation had been accounted for under "Pooling of Interests" method in accordance with Appendix C of Ind AS 103 'Business Combinations' and in accordance with the Scheme approved by NCLT. Accordingly, the assets, liabilities and reserves have been taken over at their book values. As Maven was a wholly owned subsidiary of MosChip, no consideration was paid to effect the amalgamation. The fair value of net assets acquired on the acquisition date amounted to ₹501.49 lakhs (Negative networth). The excess of investments Rs. 568 lakhs over the fair value of the net assets Rs. 501.49 lakhs (Negative networth) acquired has been attributed towards goodwill of Rs. 1,069.49 lakhs.

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

**44 Additional regulatory information**

**a. Details of Benami Property held**

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**b. Relationship with Struck off Companies**

The company doesn't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

**c. Revaluation Of Property, Plant and Equipment and Intangible Assets**

The Company has not done revaluation of Property, Plant and Equipment / Intangible assets.

**d. Utilisation Of borrowed funds and share premium**

As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and the company has not obtained any fresh long term borrowings from banks and financial institutions.

**e. Undisclosed income**

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**f. Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

**g. Registration of charges or satisfaction with registrar of companies**

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

**h. Compliance with number of layers of companies**

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

**i. Refer Annexure B for required ratios**

**45** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**46** Disclosure of additional information in Consolidated Financial Statements as required in para II in general instructions as part III of division II to Schedule III to the Companies Act, 2013 refer Annexure A.

**47** Figures have been rounded off to nearest lakhs and previous years figures have been re grouped where ever necessary, to correspond with the current period classification / disclosure and there is no impact on total income and net profit.

**As per our report of even date attached**

**For ST Mohite & Co.,**  
Chartered Accountants  
ICAI Firm Reg.No. 011410S

For and on behalf of the Board  
**MosChip Technologies Limited**

**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635  
ICAI UDIN:22015635AHZTMS3036

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**Jayaram Susarla**  
Chief Financial Officer

**K. Ramachandra Reddy**  
Non Executive Director  
DIN : 00042172

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

**Annexure A  
Disclosure of additional information in Consolidated Financial Statements as required in para II in general instructions as part III of division II to Schedule III to the Companies Act, 2013**

Name of the entity	FY 2021-2022		FY 2020-2021		FY 2021-2022		FY 2020-2021		FY 2021-2022		FY 2020-2021		FY 2021-2022		FY 2020-2021	
	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Profit or loss	Amount in Rs.	As % of consolidated Profit or loss	Amount in Rs.	As % of consolidated other comprehensive income	Amount in Rs.	As % of consolidated other comprehensive income	Amount in Rs.	As % of consolidated other comprehensive income	Amount in Rs.	As % of consolidated other comprehensive income	Amount in Rs.
<b>Parent Company</b>																
MesChip Technologies Limited	112.38%	7,347.89	163.57%	8,659.63	83.23%	537.10	20.17%	(184.56)	97%	101.57	11.3%	74.58	80.80%	436.53	26.41%	(259.14)
<b>Subsidiaries</b>																
<b>Indian</b>																
Maven Systems Private Limited			-55.78%	(2,952.85)	0.00%		58.16%	(532.25)	0%		-1%	(0.92)	-0.19%	(1.00)	54.15%	(51.32)
MesChip Institute of Silicon Systems Private Limited	-1.51%	(98.58)	-1.19%	(62.95)	-5.62%	(35.62)	13.72%	(125.55)	-	-	-	-	-6.59%	(35.62)	12.80%	(125.55)
<b>Foreign</b>																
MesChip Technologies, USA	1.22%	79.69	-5.58%	(295.60)	58.70%	378.77	-16.42%	150.22	3%	3.48	-12%	(7.62)	69.47%	375.29	-16.09%	157.83
Adjustment arising out of consolidation	-12.09%	(790.58)	-1.02%	(54.14)	-36.41%	(234.94)	24.36%	(222.94)	0%	-	0%	-	-43.49%	(234.94)	22.72%	(222.94)
<b>Total</b>	<b>100%</b>	<b>6,538.43</b>	<b>100%</b>	<b>5,294.09</b>	<b>100%</b>	<b>645.30</b>	<b>100%</b>	<b>(915.08)</b>	<b>100%</b>	<b>105.05</b>	<b>100%</b>	<b>66.04</b>	<b>100%</b>	<b>540.26</b>	<b>100%</b>	<b>(981.12)</b>

**NOTES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

Annexure B  
The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance	Remarks
Current Ratio	Current assets	Current liabilities	0.84	0.66	26%	Note i
Debt – Equity Ratio	Total Debt (represents lease liabilities) *	Shareholder's Equity	1.03	1.19	-13%	Note ii
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	0.50	0.20	143%	Note iii
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	11%	-16%	-169%	Note iii
Trade receivables turnover ratio	Revenue	Average Trade Receivable	3.87	3.34	16%	
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.32	1.17	13%	
Net capital turnover ratio	Revenue	Working Capital	-11.43	-3.49	228%	Note i
Net profit ratio	Net Profit	Revenue	4%	-9%	-150%	Note iii
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	-244%	3%	-9025%	Note iii
Return on Investment(ROI)	Income generated from investments	Time weighted average investments	NA	NA	NA	

- 1 Total Debts = Borrowings + Leased Liabilities
- 2 Earnings available for Debts Service = Net Profit after taxes + Non-cash operating expenses + Interest - Non-cash operating incomes
- 3 Debt Services = Borrowings + Leased Liabilities
- 4 Capital Employed = Tangible net worth + Lease Liabilities
- 5 Return on investments of the company "Not Applicable" as the company doesn't have traded investments

Notes

- i. During the year Maven Systems Private Limited (WoS) merged with MosChip, hence the advances given to Maven eliminated.
- ii. Lease liabilities added to liabilities and Maven losses reduced from shareholders equity.
- iii. Business & efficiency of the company improved significantly, resulted to show the profit in the current year against losses in the previous year

**INDEPENDENT  
AUDITOR'S REPORT**

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To  
The Members  
MosChip Technologies Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of MosChip Technologies 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 standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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 its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for opinion**

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

**Key audit matters**

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

## INDEPENDENT AUDITOR'S REPORT

### Key Audit Matters

Key Audit Matter	Auditor's Response
<p>The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.</p> <p>The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach. Revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.</p>	<p>Our audit procedures included specific evaluation of compliance with requirements of Ind AS 115, "Revenue from Contracts with Customers" including:</p> <ul style="list-style-type: none"> <li>➤ Testing of the design of internal controls relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.</li> <li>➤ We selected a sample of contracts with customers and performed the following procedures: <ul style="list-style-type: none"> <li>• Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement</li> <li>• Analysed and identified the distinct performance obligations in the contracts.</li> <li>• Compared the performance obligations with those identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used for recording revenue.</li> </ul> </li> </ul>
<p><b>Goodwill on business acquisition:</b></p> <p>Acquisition of businesses by the Company were recorded in accordance with Ind AS 103 Business Combinations. The application of this Ind AS involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 43 to the Standalone Financial Statements. The carrying value of Goodwill resulting from such business combinations aggregated INR 5,511.00 lakhs as at 31st March 2022.</p> <p>As per Ind AS 36, 'Impairment of Assets', the goodwill acquired in business combination shall be tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. The assessment of impairment involves significant judgements and estimates. Due to the significance and complexity, this was considered as a Key Audit Matter.</p>	<p>Our audit procedures included verification of compliances with the requirements of Ind AS 103 and Ind AS 36. The following procedures were performed to test the goodwill on business acquisition:</p> <ul style="list-style-type: none"> <li>• Evaluated the internal sources and external sources of information to identify existence of impairment indicators.</li> <li>• Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses used in development of free cash flows by the management in assessment of cash generating units.</li> <li>• Assessed the discount rates by making reference to comparable companies within the same industry.</li> <li>• Reviewed the management plans for the foreseeable future and events / factors which have an impact on the relevant business.</li> <li>• Evaluated sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis.</li> <li>• Reviewed the financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumption considered, which will have adverse impact on the recoverable value of such investments.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

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

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

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

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

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

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

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

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

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



**INDEPENDENT  
AUDITOR'S REPORT**

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- 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)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
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**INDEPENDENT  
AUDITOR'S REPORT**

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- 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 standalone financial statements.
  - 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.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
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 as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule-V of the Act.

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

**Sreenivasa Rao T Mohite**  
Partner  
Membership No.015635  
ICAI UDIN:22015635AHZUHS2191

**Place: Hyderabad**  
**Date : 28 April, 2022**

## INDEPENDENT AUDITOR'S REPORT

### Annexure 'A' to the Independent Auditors' Report

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

Sl No.	Ref to CARO	Report by Independent Auditors
1	<b>3(i)</b>	<b>Property, Plant and Equipment and Intangible Assets:</b>
	<b>3(i)(a)</b>	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.
	<b>3(i)(b)</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, and right-of-use assets 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.
	<b>3(i)(c)</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 is not holding any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly clause 3(i)(c) of the Order is not applicable to the Company for the year under review.
	<b>3(i)(d)</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 revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
	<b>3(i)(e)</b>	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 Proceeding 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	<b>3(ii)</b>	<b>Inventories</b>
	<b>3(ii)(a)</b>	The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no material discrepancies noticed on verification between the physical stock and the book records.
	<b>3(ii)(b)</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 sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and accordingly reporting under clause 3(ii)(b) of the Order is not applicable.
3	<b>3(iii)</b>	<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	<b>3(iv)</b>	<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 no transactions for compliance u/s 185 and for transactions u/s 186 of the Companies Act, 2013 and the Company has complied with the provisions of Section 186 of the Companies Act, 2013('Act') in relation to loans given and investments made.

**INDEPENDENT  
AUDITOR'S REPORT**

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 under the 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)	<p>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.</p> <p>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.</p>										
	3(vii)(b)	<p>Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of disputes are given below:</p> <table border="1"> <thead> <tr> <th>Nature of Statute</th> <th>Nature of dues</th> <th>Forum where the dispute is pending</th> <th>Assessment Year</th> <th>Amount ₹ lakhs</th> </tr> </thead> <tbody> <tr> <td>The Income Tax Act, 1961</td> <td>Income Tax</td> <td>Commissioner of Income-tax (Appeals)</td> <td>AY 2019-20</td> <td>1,057.93</td> </tr> </tbody> </table>	Nature of Statute	Nature of dues	Forum where the dispute is pending	Assessment Year	Amount ₹ lakhs	The Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2019-20	1,057.93
Nature of Statute	Nature of dues	Forum where the dispute is pending	Assessment Year	Amount ₹ lakhs								
The Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2019-20	1,057.93								
8	3(viii)											
		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). Accordingly, Clause 3(viii) of the order is not applicable.										
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 and we report that, barring apparent aberration, no funds have been raised on short-term basis utilized for long term purposes 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.										

**INDEPENDENT  
AUDITOR'S REPORT**

<b>10</b>	<b>3(x)</b>	<b>Initial public offer/further offer</b>
	<b>3(x) (a)</b>	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.
	<b>3(x) (a)</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. Except allotment of equity shares under Employee Stock Option Scheme.  According to the records the Company has allotted 2,052,793 equity shares to employees under Employee Stock Options Scheme.
<b>11</b>	<b>3(xi)</b>	<b>Frauds by or on the company</b>
	<b>3(xi) (a)</b>	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>	According to the information & explanation given to us The company has not received any whistle blower complaints during the year. Accordingly, Clause 3(xi)(c) of the Order is not applicable.
<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.

**INDEPENDENT  
AUDITOR'S REPORT**

18	3(xviii)	<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)	According to the information & explanation given to us and examination of records, we are of the opinion that the provisions of section 135 (corporate social responsibility) 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.
21	3(xxi)	The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause 3(xxi) has been included in this report.

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

**Sreenivasa Rao T Mohite**  
Partner  
Membership No.015635  
ICAI UDIN:22015635AHZUHS2191

Place : Hyderabad  
Date : 28 April, 2022

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## INDEPENDENT AUDITOR'S REPORT

### **Annexure B to the Independent Auditors' Report**

*(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

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

We have audited the internal financial controls with reference to standalone financial statements of MosChip Technologies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 over to financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **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.

**INDEPENDENT  
AUDITOR'S REPORT**

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**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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Sreenivasa Rao T Mohite**  
Partner  
Membership No.015635  
**ICAI UDIN:22015635AHZUHS2191**

Place : Hyderabad

Date : 28 April, 2022

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## STANDALONE BALANCE SHEET

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

PARTICULARS	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	515.78	569.61
Right-of-Use Asset	4	846.89	-
Goodwill	43	5,511.00	4,441.50
Other Intangible assets	5	217.77	80.72
Financial assets			
Investment	6	2,820.53	3,388.53
Trade receivables	7	221.31	286.73
		<b>10,133.28</b>	<b>8,767.09</b>
<b>Current Assets</b>			
Inventories	8	188.93	-
Financial assets			
Trade receivables	9	4,703.58	4,537.02
Cash and cash equivalents	10 (a)	38.00	210.88
Other bank balances	10 (b)	23.85	28.67
Other financial assets	11	902.43	3,498.86
Current tax assets (net)		470.57	443.26
Other current assets	12	185.87	138.53
		<b>6,513.23</b>	<b>8,857.22</b>
<b>Total assets</b>		<b>16,646.51</b>	<b>17,624.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	3,196.93	3,155.88
Other equity	14	4,150.96	5,503.75
<b>Total equity</b>		<b>7,347.89</b>	<b>8,659.63</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	144.47	241.57
Lease liabilities	16	637.87	-
Other financial liabilities	17	375.84	375.84
Provisions	18	572.59	416.73
		<b>1,730.77</b>	<b>1,034.14</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	5,739.36	5,703.17
Lease liabilities	20	239.63	-
Trade payables	21	-	-
(a) total outstanding dues of micro & small enterprises		-	-
(b) total outstanding dues other than (a) above		1,127.77	1,433.00
Other financial liabilities	22	2.35	7.29
Other current liabilities	23	242.74	622.68
Provisions	24	216.00	164.40
<b>Total current liabilities</b>		<b>7,567.85</b>	<b>7,930.54</b>
<b>Total liabilities</b>		<b>9,298.62</b>	<b>8,964.68</b>
<b>Total equity and liabilities</b>		<b>16,646.51</b>	<b>17,624.31</b>
See accompanying notes forming part of the Standalone Financial Statements	1 to 48		

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

For and on behalf of the Board  
MosChip Technologies Limited

Sreenivasa Rao T Mohite  
Partner  
Membership No. 015635

Venkata Sudhakar Simhadri  
Managing Director & CEO  
DIN : 01883241

K. Ramachandra Reddy  
Non Executive Director  
DIN : 00042172

Jayaram Susarla  
Chief Financial Officer

Suresh Bachalakura  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

## STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

PARTICULARS	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>I Income</b>			
Revenue from operations	25	12,070.32	8,408.47
Other income	26	213.33	336.84
<b>Total Income</b>		<b>12,283.65</b>	<b>8,745.31</b>
<b>II Expenses</b>			
Cost of material consumed	27	103.38	70.18
Other operating expenses	28	679.99	662.95
Employee benefits expenses	29	8,590.31	6,171.01
Finance costs	30	842.86	832.82
Depreciation and amortisation expense	5a	889.35	459.96
Other expenses	31	640.66	729.81
<b>Total expense</b>		<b>11,746.55</b>	<b>8,926.73</b>
<b>III Profit / (loss) before exceptional and tax ( I - II )</b>		<b>537.10</b>	<b>(181.42)</b>
<b>IV Exceptional Item</b>		-	-
<b>V Profit / (loss) before tax ( III - IV )</b>		<b>537.10</b>	<b>(181.42)</b>
<b>VI Tax expense</b>			
Deferred tax	40	-	3.13
<b>Total tax expense</b>		-	<b>3.13</b>
<b>VII Profit / (loss) after tax ( V - VI )</b>		<b>537.10</b>	<b>(184.55)</b>
<b>VIII Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of the defined benefit liabilities-(gain)/ loss	36	101.57	74.58
<b>Total other comprehensive (Income) / loss</b>		<b>101.57</b>	<b>74.58</b>
<b>IX Total comprehensive loss for the year ( VII - VIII )</b>		<b>435.53</b>	<b>(259.13)</b>
<b>Earnings per equity share (nominal value of INR 2) in INR</b>	39		
Basic		0.34	(0.12)
Diluted		0.32	(0.11)
See accompanying notes forming part of the Standalone Financial Statements	1 to 48		

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

For and on behalf of the Board  
**MosChip Technologies Limited**

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**K. Ramachandra Reddy**  
Non Executive Director  
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**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635  
ICAI UDIN:22015635AHZUHS2191

**Jayaram Susarla**  
Chief Financial Officer

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

## STANDALONE STATEMENT OF CASH FLOW

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before tax	537.10	(181.42)
Adjustments for :		
Depreciation of property, plant and equipment	664.49	373.54
Amortisation of intangible assets	224.86	86.42
Interest income	(7.68)	(227.04)
Write back of liabilities	(128.21)	(91.44)
Finance costs	842.86	832.82
Allowances for doubtful receivables and bad debts written off (net)	50.57	183.36
Allowances for doubtful deposits (net)	264.48	-
Unrealized exchange (gain)/ loss (net)	(15.85)	28.89
Amortisation of share based payment cost	334.39	47.40
Provision for employee benefits	175.83	168.07
<b>Working capital adjustments:</b>		
(Increase)/ decrease in trade receivables Current	(914.97)	(718.16)
(Increase)/ decrease in inventories	28.02	13.52
(Increase)/ decrease in trade receivables non current	65.41	60.01
(Increase)/ decrease in other current assets	(33.03)	(235.79)
(Increase)/ decrease in financial asset	(166.41)	85.72
Increase/ (decrease) in financial liabilities	(4.94)	(0.74)
Increase/ (decrease) in provisions	(88.65)	(81.49)
Increase/ (decrease) in trade payable	(398.55)	47.54
Increase/ (decrease) in current liabilities	(413.99)	255.07
<b>Cash generated from / (used in) operating activities before taxes</b>	<b>1,015.73</b>	<b>646.28</b>
Income tax paid	(23.89)	135.17
<b>Net cash flows from / (used in ) operating activities (A)</b>	<b>991.84</b>	<b>781.45</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(350.08)	(43.36)
Purchase of other intangible assets	(78.84)	(14.15)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	4.82	(9.62)
Interest received (finance income)	7.68	19.51
<b>Net cash flows used in investing activities (B)</b>	<b>(416.42)</b>	<b>(47.62)</b>
<b>C. Cash flow from financing activities</b>		
Receipts on exercise of stock options	348.43	-
Proceeds / (repayment) from short term borrowings, net	(60.91)	190.77
Repayment of lease liabilities	(215.36)	-
Finance cost paid	(842.85)	(1,018.50)
<b>Net cash flows from/ (used in) financing activities (C)</b>	<b>(770.69)</b>	<b>(827.73)</b>
<b>Net (Decrease)/increase in cash and equivalents during the year (A+B+C)</b>	<b>(195.27)</b>	<b>(93.90)</b>
Cash and cash equivalents at the beginning of the year	210.88	304.78
Increase in Cash and Cash Equivalents on amalgamation	22.39	-
<b>Cash and cash equivalents at the end of the year (refer note 10(a))</b>	<b>38.00</b>	<b>210.88</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 Standalone Financial Statements 1 to 48

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

For and on behalf of the Board  
**MosChip Technologies Limited**

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**K. Ramachandra Reddy**  
Non Executive Director  
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**Sreenivasa Rao T Mohite**  
Partner  
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**Jayaram Susarla**  
Chief Financial Officer

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

STANDALONE

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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

As of 1 April 2020		Change in Equity share Capital during the year		As at 31 March, 2021	
Shares	Amount in lakhs	Shares	Amount in lakhs	Shares	Amount in lakhs
157,793,932	3,155.88	-	-	157,793,932	3,155.88
As of 1 April 2021		Change in Equity share Capital during the year		As at March 31, 2022	
Shares	Amount in lakhs	Shares	Amount in lakhs	Shares	Amount in lakhs
157,793,932	3,155.88	2,052,793	41.05	159,846,725	3,196.93

**b. Other Equity**

Particulars	Share application money pending allotment	Reserves and Surplus				Other Comprehensive Income	Total	
		Capital reserve	Securities Premium	Share option outstanding	Retained Earnings benefit plans			Remeasurement of the net defined benefit plans
Balance as at 1 April 2020	-	1,086.90	13,876.61	260.24	(9,463.52)	(46.75)	5,715.48	
Loss for the year	-	-	-	-	(184.55)	-	(184.55)	
Other comprehensive income (Net)	-	-	-	-	(74.56)	(74.56)	(74.56)	
<b>Total comprehensive income for the year</b>	-	-	-	-	(184.55)	(74.56)	(259.13)	
Amortised amount of share based payments to employees (net)	-	-	-	47.40	-	-	47.40	
Balance as at 31 March 2021	-	1,086.90	13,876.61	307.64	(9,648.07)	(121.33)	5,503.75	
Loss from amalgamated company	-	-	-	-	(2,451.35)	-	(2,451.35)	
Profit for the year	-	-	-	-	537.10	-	537.10	
Other comprehensive income (Net)	-	-	-	-	(101.57)	(101.57)	(101.57)	
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,914.25)	(101.57)	(2,015.82)	
Receipt on exercise of stock options	2.56	-	304.81	-	-	-	307.37	
Transfer from share option outstanding account on exercise of stock options	-	-	102.92	(102.92)	-	-	-	
Amortised amount of share based payments to employees (net)	-	-	-	-	355.66	-	355.66	
<b>Balance as at 31 March 2022</b>	<b>2.56</b>	<b>1,086.90</b>	<b>14,286.34</b>	<b>560.38</b>	<b>(11,562.32)</b>	<b>(222.90)</b>	<b>4,150.96</b>	

See accompanying notes forming part of the Standalone Financial Statements 1 to 48

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

For and on behalf of the Board  
**MosChip Technologies Limited**

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**K. Ramachandra Reddy**  
Non Executive Director  
DIN : 00042172

**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

### 1 Corporate Information

MosChip Technologies Limited ('the Company') was incorporated in 1999 as a private limited company under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) in 2001. The Registered office of the Company is situated at 7th Floor, "My Home Twitza", Hyderabad Knowledge City, Hyderabad, Telangana 500081. which is its principal place of business. As on 31 March 2022, Mayuka Holdings Private Limited is the holding company of the Company.

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

The Standalone Financial Statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 28 April 2022.

### 2 Significant accounting policies

#### 2.1 Statement of Compliance

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

#### 2.2 Basis for preparation of standalone financial statements:

These standalone financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

These standalone 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 Operating cycle

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

##### Assets :

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

##### Liabilities :

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

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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

**2.4 Use of Estimates:**

The preparation of standalone 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 standalone financial statements, disclosure of contingent liabilities as at the date of the standalone 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.

**Critical accounting estimates***(i) Revenue Recognition*

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to describe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

*(ii) Income taxes and deferred taxes*

The major tax jurisdictions for the Company are India and the United States of America. 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.

*(iii) 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.

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

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*(iv) 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.

*(v) Business combinations and intangible assets*

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable net assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are generally conducted by independent valuation experts.

*(vi) Impairment of Goodwill*

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

The goodwill impairment test is performed at the level of the cash-generating unit or Companies of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

*(vii) Defined benefit plans and compensated absences*

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

*(viii) Expected credit losses on financial assets*

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

*(ix) Other estimates*

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

*(x) 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

### 2.5 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 ready / available for use as at each reporting date is disclosed under capital work in progress.

#### Depreciation

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
Mask Tools	5
Electrical Installation	10
Leasehold improvements	6
Lab Equipment's	5
Plant and Machinery	5
Furniture and fixtures	10
Office equipment's	5
Computers	3
Vehicles	10
Other Intangible assets	3 - 5 Years

The estimated useful life of intangible assets (software) is 3 to 5 years and these are amortised on a straight line basis. Project specific intangible assets are amortised over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

Intellectual Property Rights ('IPR') comprise right to use for licensed software. The Company has recognised the IPR based on consideration paid. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortization and accumulated impairment losses. The IPR's are amortised over their estimated useful life of the asset on a straight line basis.

An item of Property, Plant & Equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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**2.6 Leases**

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Business Combination**

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expenses as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in standalone statement of profit or loss.

**Goodwill and intangible assets**

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

### 2.7 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.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

#### (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.

#### (iii) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

The Company estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

### 2.8 Inventories

#### Components and parts / raw material :

Components and parts are valued at lower of cost or net realizable value. Cost is determined on weighted average method.

#### Finished Goods:

Finished goods are valued at the lower of the cost or net realisable value. Cost is determined on weighted average method.

#### Projects in Progress / Work in Progress:

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

### 2.9 Revenue recognition

#### Revenue from operations

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

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

- (i) Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- (ii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- (iii) Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- (iv) Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- (v) License agreements that require payment of license fees contain a single performance obligation that represents ongoing access to a portfolio of intellectual property over the license term since such agreements provide the licensee the right to access a portfolio of intellectual property that exists at inception of the license agreement and to updates and new intellectual property that is added to the licensed portfolio during the term of the agreement that are highly interdependent or interrelated. Since we expect to expend efforts to develop and transfer updates to our licensed portfolio on an even or specified timeline basis, license fees are recognized as revenues on a straight-line or milestone basis over the estimated period of benefit of the license to the licensee.
- (vi) Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
- (vii) Contract liability (unearned revenue) is recognised when there is billings in excess of revenues.

#### Interest income

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

### 2.10 Foreign currencies

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

### 2.11 Financial instruments

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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 assets at fair value*

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in 'other comprehensive income', for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments has made an irrevocable election to present in 'other comprehensive income', subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

#### *Investment in subsidiaries*

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Standalone and Separate Financial Statements.

#### *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.

### (ii) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows nominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and accounts for them as cash flow hedges applying the recognition and measurement principles set out in Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company's risk management policy approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under 'effective portion of cash flow hedges' (net of taxes), and the ineffective portion is recognised immediately in the Standalone statement of profit and loss.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Standalone statement of profit and loss in the same period in which gains/losses on the item hedged are recognised in the Standalone statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Standalone statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified as effective portion of cash flow hedges is classified to Standalone statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the Standalone statement of profit and loss for the period.

### (iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risk and rewards of transferred financial assets, the Company continues to recognize the financial asset and also recognizes the borrowing for the proceeds received.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

### (iv) Financial Guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 Revenue.

## 2.12 Employee benefits

### a 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.

### b Defined contribution plans

Provident fund and ESIC: The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

### c Compensated absences:

The Company provides for compensated absences and long term service awards subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number years of service of an employee. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the Standalone statement of profit and loss in the period in which they occur.

### d Other short-term employee benefits

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the Standalone statement of profit and loss during the period when the employee renders the service.

## 2.13 Taxation

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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### 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.

### 2.14 Employee Stock Option Plans:

Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

The expense is recognized in the Standalone statement of profit and loss with a corresponding increase to the 'share option outstanding account', which is a component of equity.

### 2.15 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).

### 2.16 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:

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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**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 Standalone 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 Standalone 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.

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**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

**4 Property, plant and equipment**

Particulars	Mask Tools	Electrical Installation	Leasehold improvements	Lab Equipment's	Plant and Machinery	Furniture and fixtures	Office equipment's	Computers	Vehicles	Right of Use Asset	Total Tangible Assets
<b>Cost</b>											
At 31 March 2020	1,479.10	4.48	109.13	21.51	20.35	77.60	52.08	109.02	52.56	-	1,925.83
Additions	-	-	-	26.95	-	-	-	18.22	-	-	45.17
Deletions	-	4.48	109.13	-	15.41	55.98	33.47	13.66	-	-	232.13
At 31 March 2021	1,479.10	-	-	48.46	4.94	21.62	18.61	113.58	52.56	-	1,738.87
Additions	-	-	-	26.45	-	0.34	14.85	308.43	-	1,107.47	1,457.55
Deletions	-	-	-	0.26	-	-	2.19	5.99	-	-	8.44
At 31 March 2022	1,479.10	-	-	74.65	4.94	21.96	31.28	416.02	52.56	1,107.47	3,187.98
<b>Accumulated depreciation</b>											
At 31 March 2020	739.95	4.48	108.74	11.49	12.60	35.14	32.56	67.98	12.04	-	1,024.99
Charge for the year	296.63	-	0.38	8.77	3.82	24.23	12.83	20.40	6.48	-	373.54
Deletions	-	4.48	109.13	-	15.41	53.14	33.44	13.66	-	-	229.27
At 31 March 2021	1,036.58	-	-	20.26	1.01	6.23	11.94	74.72	18.52	-	1,169.26
Charge for the year	296.09	-	-	10.16	0.51	6.72	12.57	54.84	23.02	260.58	664.49
Deletions	-	-	-	0.26	-	-	2.19	5.99	-	-	8.44
At 31 March 2022	1,332.67	-	-	30.16	1.52	12.95	22.32	123.57	41.54	260.58	1,825.31
<b>Carrying amount</b>											
At 31 March 2020	739.15	-	0.39	10.02	7.75	42.46	19.52	41.04	40.52	-	901.00
At 31 March 2021	442.52	-	-	28.20	3.93	15.39	6.67	38.86	34.04	-	569.61
At 31 March 2022	146.43	-	-	44.49	3.42	9.01	8.96	292.45	11.02	846.89	1,362.67



**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

 (All amounts in ` lakhs, except share and per share data and where otherwise stated)
 

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**5 Intangible assets**

Particulars	Design & Development	Software	Total Intangible assets
<b>Cost</b>			
<b>At 31 March 2020</b>	<b>409.00</b>	<b>7.46</b>	<b>416.45</b>
Additions / (Transfer)	14.44	-	14.44
Deletions	-	7.46	7.46
<b>At 31 March 2021</b>	<b>423.44</b>	<b>-</b>	<b>423.44</b>
Additions / (Transfer)	78.83	-	78.83
Additions on account of amalgamation	283.08	-	283.08
Deletions	-	-	-
<b>At 31 March 2022</b>	<b>785.35</b>	<b>-</b>	<b>785.35</b>
<b>Accumulated amortisation</b>			
<b>At 31 March 2020</b>	<b>258.89</b>	<b>4.86</b>	<b>263.75</b>
Charge for the year	83.83	2.59	86.42
Deletion	-	7.45	7.45
<b>At 31 March 2021</b>	<b>342.72</b>	<b>-</b>	<b>342.72</b>
Charge for the year	224.86	-	224.86
Deletions	-	-	-
<b>At 31 March 2022</b>	<b>567.58</b>	<b>-</b>	<b>567.58</b>
<b>Carrying amount</b>			
At 31 March 2020	150.11	2.60	152.70
At 31 March 2021	80.72	-	80.72
<b>At 31 March 2022</b>	<b>217.77</b>	<b>-</b>	<b>217.77</b>

**5a Depreciation and amortisation expense**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation	664.49	373.54
Amortisation	224.86	86.42
<b>Total</b>	<b>889.35</b>	<b>459.96</b>

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>6 Investments</b>		
<b>Non-current</b>		
<b>Carried at amortised cost</b>		
<b>Unquoted fully paid equity shares</b>		
Investments in subsidiaries		
8,325,770 (31 March 2021: 8,325,770) equity shares in MosChip Technologies, USA	2,620.53	2,620.53
Nil (31 March 2021: 10,000) equity shares of ₹10 each in Maven Systems Private Limited*	-	568.00
10,000 (31 March 2021: 10,000) equity share of Rs. 10 each in MosChip Institute of Silicon Systems Private Limited	200.00	200.00
	<u>2,820.53</u>	<u>3,388.53</u>
Aggregate amount of unquoted investments carried at amorised cost	<u>2,820.53</u>	<u>3,388.53</u>

\* The National Company Law Tribunal (NCLT) has approved on 25 February 2022 the Scheme of Arrangement for amalgamation of Maven Systems Private Limited (100% subsidiary) with MosChip Technologies Limited with effect from 1 April 2021

<b>7 Trade receivables</b>		
<b>Non Current</b>	221.31	286.73
Unsecured, considered good		
Less: Allowance for doubtful trade receivables	-	-
	<u>221.31</u>	<u>286.73</u>

**Trade receivables ageing schedule as on 31 March 2022**

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	221.31	-	-	-	-	221.31
<b>Total</b>	<b>221.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221.31</b>

**Trade receivables ageing schedule as on 31 March 2021**

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	286.73	-	-	-	-	286.73
<b>Total</b>	<b>286.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286.73</b>

<b>8 Inventories*</b>		
<b>Raw material</b>		
Inventories consists of the following:		
Hardware and Product Component for IoT	188.93	-
	<u>188.93</u>	<u>-</u>

\*Inventories are carried at the lower of cost and net realisable value.

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>9 Trade receivables</b>		
<b>Current</b>		
<b>(i) Billed receivables</b>		
Undisputed Trade receivables-considered good	3,909.42	3,793.54
Undisputed Trade receivables-considered doubtful	1,250.68	1,111.80
Less: Allowance for doubtful trade receivables - Billed	(1,250.68)	(1,111.80)
<b>Total receivables - billed</b>	<b>3,909.42</b>	<b>3,793.54</b>
<b>(ii) Trade receivables - Unbilled</b>	794.16	743.48
<b>Total receivables (i+ii)</b>	<b>4,703.58</b>	<b>4,537.02</b>
* Includes dues from subsidiaries (refer note 33)	2,500.16	2,580.06

**Trade receivables - billed (current) ageing schedule as on 31 March 2022**

Particulars	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed Trade receivables-considered good	2,850.29	27.07	253.86	228.52	549.68	3,909.42
Undisputed Trade receivables-considered doubtful	-	-	236.12	286.61	727.95	1,250.68
<b>Total</b>	<b>2,850.29</b>	<b>27.07</b>	<b>489.98</b>	<b>515.13</b>	<b>1,277.63</b>	<b>5,160.10</b>
Less: Allowance for doubtful trade receivables - Billed						(1,250.68)
<b>Trade receivables - Billed (Net)</b>						<b>3,909.42</b>
Trade receivables - Unbilled						794.16
<b>Total receivables</b>						<b>4,703.58</b>

**Trade receivables - billed (current) ageing schedule as on 31 March 2021**

Particulars	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed Trade receivables-considered good	1,957.40	512.69	425.32	493.78	404.35	3,793.54
Undisputed Trade receivables-considered doubtful	-	1.35	207.26	118.20	784.99	1,111.80
<b>Total</b>	<b>1,957.40</b>	<b>514.05</b>	<b>632.58</b>	<b>611.98</b>	<b>1,189.34</b>	<b>4,905.34</b>
Less: Allowance for doubtful trade receivables - Billed						(1,111.80)
<b>Trade receivables - Billed (Net)</b>						<b>3,793.54</b>
Trade receivables - Unbilled						743.48
<b>Total receivables</b>						<b>4,537.02</b>

**10 (a) Cash and cash equivalents**

Balance with banks:

- in Current account	38.00	106.24
- in Deposit account	-	104.64
	<b>38.00</b>	<b>210.88</b>

**10. (b) Other bank balance**

Term deposit with Banks with original maturities of less than 1 year*	23.85	28.67
<b>Total other Bank balances</b>	<b>23.85</b>	<b>28.67</b>

\* Balances held as Margin Money/Security deposit represents the deposits lodged with banks against guarantees issued by them

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>11. Other current assets - current</b>		
Unsecured, considered good		
Security deposits (Gross)	1,152.84	1,000.69
Less : Provision for Doubtfull Deposit	(264.48)	-
Security deposits (Net)	888.36	1,000.69
Earnest Money Deposits	13.82	13.82
Loans / Advances to subsidiaries (refer note 33)	-	2,483.75
Interest accrued on deposits	0.25	0.60
	<b>902.43</b>	<b>3,498.86</b>
<b>12. Other current assets</b>		
Unsecured, considered good		
Advances to employees	-	0.31
Indirect tax recoverable	3.96	0.34
Advance to Vendors	20.24	56.75
Prepaid Expenses	161.67	81.13
	<b>185.87</b>	<b>138.53</b>
<b>13 Equity share capital</b>		
<b>Authorised Share Capital</b>		
282,755,000 (March 31, 2021: 282,705,000) equity shares of Rs.2 each	5,655.10	5,654.10
<b>Issued, subscribed and fully paid-up</b>		
160,044,195 (March 31, 2021: 157,991,402) equity shares of Rs.2/- each fully paid-up	3,200.88	3,159.83
Less: 197,470 (March 31, 2021: 197,470) Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	(3.95)	(3.95)
<b>Adjusted: Issued, subscribed and fully paid-up</b>	<b>3,196.93</b>	<b>3,155.88</b>

**(a) Reconciliation of number of Equity Shares and amount outstanding**

Particulars	31 March 2022		31 March 2021	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	1579,91,402	3,159.83	1579,91,402	3,159.83
Issued during the year	20,52,793	41.05	-	-
<b>Total</b>	<b>1600,44,195</b>	<b>3,200.88</b>	<b>1579,91,402</b>	<b>3,159.83</b>
Less: Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	1,97,470	3.95	1,97,470	3.95
<b>Adjusted : Issued, Subscribed and Paid up Share Capital</b>	<b>1598,46,725</b>	<b>3,196.93</b>	<b>1577,93,932</b>	<b>3,155.88</b>

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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

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

**(c) Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of equity shares held	% of total shares #	No. of equity shares held	% of total shares #
Mayuka Holdings Private Limited *	817,27,739	51.07%	-	-
Oshine Global Pte Limited *	-	-	815,31,739	51.61%
EIJI Holdings Pte Limited (Ultimate holding Company) *	-	-	1,96,000	0.12%

# This percentage of holding is presented with reference to Issued, Subscribed and Paid up

\* Oshin Global Pte Limited and EIJI Holdings Pte Limited have merged with Mayuka Holdings Private Limited

**(d) Changes in Promoters Shareholding during the year**

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	No. of equity shares held	% holding #	% of changes during the year	No. of equity shares held	% holding #	% of changes during the year
Mayuka Holdings Private Limited *	817,27,739	51.07%	-	-	-	-
Oshin Global Pte Limited *	-	-	-	815,31,739	51.61%	-
EIJI Holdings Pte Limited (Ultimate holding Company) *	-	-	-	1,96,000	0.12%	-
Mr. Rama Chandra Reddy Kadiri	65,75,864	4.11%	-	74,98,592	4.75%	-
Mrs. K. Pratibha Reddy **	398	0.00%	-	398	0.00%	-
Mr. Damodar Rao Gummadapu	2,04,000	0.13%	-	2,04,000	0.13%	-

\* Oshin Global Pte Limited and EIJI Holdings Pte Limited have merged with Mayuka Holdings Private Limited.

\*\* Number of shares less than 1000

(e) Of the above issued shares 81,531,739 (31 March 2021 - 81,531,739) equity shares held by holding company namely Oshin Global Pte Ltd (Oshin) and 196,000 (31 March 2021 - 196,000) equity shares are held by Ultimate holding Company namely EIJI Holdings Pte Limited (EIJI), subsequently these shares were transferred to Mayuka Holdings Private Limited as Oshin and EIJI merged with Mayuka Holdings Private Limited.

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

**NOTES FORMING PART OF THE  
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(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>14 Other equity</b>		
<b>a) Capital Reserve</b>		
Balance at the beginning of the year	1,086.90	1,086.90
Forfeiture of share warrants	-	-
Closing balance	<u>1,086.90</u>	<u>1,086.90</u>
Capital reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on forfeiture of share warrants issued in the earlier years. The capital reserve can be utilised for issue of bonus shares.		
<b>b) Share application money pending allotment</b>		
Balance at the beginning of the year	-	-
Receipts on exercise of stock options	2.56	-
Closing balance	<u>2.56</u>	<u>-</u>
<b>c) Securities Premium</b>		
Balance at the beginning of the year	13,878.61	13,878.61
Transfer from share option outstanding account on exercise of stock options	102.92	-
Receipts on exercise of stock options	304.81	-
Closing balance	<u>14,286.34</u>	<u>13,878.61</u>
Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued. The utilisation of the securities premium is governed by the Section 52 of the Act.		
<b>d) Share option outstanding account</b>		
Balance at the beginning of the year	307.64	260.24
Amorisation of Share based payment cost	355.66	47.40
Transfer from share option outstanding account on exercise of stock options	(102.92)	-
Closing balance	<u>560.38</u>	<u>307.64</u>
Share options outstanding account represents the fair value of services received against employees stock options outstanding as at balance sheet date. These will be transferred to securities premium account after the exercise of the underlying options.		
<b>e) Retained earnings</b>		
Balance at the beginning of the year	(9,648.07)	(9,463.52)
On Account of amalgamation of Maven Systems Private Limited	(2,451.35)	-
Profit / (Loss) for the year	537.10	(184.55)
Closing balance	<u>(11,562.32)</u>	<u>(9,648.07)</u>

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>f) Other Comprehensive Income</b>		
<b>Remeasurement of the net defined benefit plans</b>		
Balance at the beginning of the year	(121.33)	(46.75)
Additions during the year	(101.57)	(74.58)
Closing balance	<u>(222.90)</u>	<u>(121.33)</u>
<b>Total other equity (a)+(b)+(c)+(d)+(e)+(f)</b>	<u><b>4,150.96</b></u>	<u><b>5,503.75</b></u>
<b>15 Borrowings</b>		
<b>Non current</b>		
<b>Measured at amortised cost</b>		
<b>Unsecured</b>		
- From banks (refer note i)	136.80	229.99
<b>Vehicle loans</b>		
<b>Secured</b>		
- From banks (refer note ii)	7.67	11.58
	<u><b>144.47</b></u>	<u><b>241.57</b></u>
i The bank has sanctioned Rs. 2.88 crores of additional loan under the scheme of Guaranteed Emergency Credit Line (GECL) with interest rate of 8.25%, which will be paid over a period of 36 months from Aug'21.		
ii. Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 7 years and carry interest rate ranging between 9.4 % per annum.		
<b>16 Non current Lease liabilities</b>		
Lease liability (refer note 38)	637.87	-
	<u><b>637.87</b></u>	<u><b>-</b></u>
<b>17 Other financial liabilities</b>		
<b>Non Current</b>		
Royalty Payable	375.84	375.84
	<u><b>375.84</b></u>	<u><b>375.84</b></u>
<b>18 Provisions</b>		
<b>Non-Current</b>		
Provision for employee benefits		
- Gratuity (refer note 36)	423.52	313.45
- Compensated absences	130.71	103.28
- Provision for Warranty	18.36	-
	<u><b>572.59</b></u>	<u><b>416.73</b></u>

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>19 Current - Borrowings</b>		
<b>Unsecured Borrowings</b>		
<b>Working Capital Loans</b>		
- From banks (refer note i)	1,753.60	1,391.15
<b>Others</b>		
- From related parties (refer note 33)	3,850.95	4,250.95
- From banks (refer note ii)	38.25	-
<b>Current maturities of long term borrowings</b>		
- From banks (refer note iii)	96.56	61.07
	<b>5,739.36</b>	<b>5,703.17</b>

**Note**

- i) The Company has obtained Over Draft facility from bank for an amount of Rs.20.00 crores, which is secured by charge on time deposit of third party offered as collateral security.
- ii) During the current year HDFC has sanctioned unsecured capital expenditure loan amount of Rs. 50 lakhs for the duration of 12 months.
- iii) Current maturities of long term loans refer note 15.

**20 Lease liabilities- Current**

Lease liability (refer note 38)	239.63	-
	<b>239.63</b>	<b>-</b>

**21 Trade payable**

(a) total outstanding dues of micro and small enterprises (refer note 37)	-	-
(b) total outstanding dues other than (a) above	1,127.77	1,433.00
	<b>1,127.77</b>	<b>1,433.00</b>

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

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	201.27	13.04	10.19	8.60	586.76	819.85
<b>Total</b>	<b>201.27</b>	<b>13.04</b>	<b>10.19</b>	<b>8.60</b>	<b>586.76</b>	<b>819.85</b>
Accrued expenses						307.92
<b>Total payables</b>						<b>1,127.77</b>

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

Particulars	Not due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	67.53	188.41	9.18	39.54	647.97	952.64
<b>Total</b>	<b>67.53</b>	<b>188.41</b>	<b>9.18</b>	<b>39.54</b>	<b>647.97</b>	<b>952.64</b>
Accrued expenses						480.36
<b>Total payables</b>						<b>1,433.00</b>



**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

**STANDALONE**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>22 Current</b>		
Capital creditors	2.35	7.29
	<u>2.35</u>	<u>7.29</u>
<b>23 Other liabilities current</b>		
Statutory liabilities	242.19	614.53
Revenue received in advance	0.55	8.15
	<u>242.74</u>	<u>622.68</u>
<b>24 Provisions Current</b>		
Provision for employee benefits	115.77	88.84
- Gratuity (refer note 36)	100.23	75.56
- Compensated absences	<u>216.00</u>	<u>164.40</u>

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**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>25 Revenue from operations</b>		
Semiconductor services & Products	10,443.49	7,287.56
Embedded services & Products	1,626.83	1,120.91
	<b>12,070.32</b>	<b>8,408.47</b>
<b>26 Other income</b>		
Interest income	2.87	215.28
Interest on Income-tax refund	4.81	11.76
Interest Income on financial assets carried at fair value	37.88	40.63
Foreign Exchange Gain / (Loss) (Net)	39.33	(39.28)
Write back of liabilities	128.21	91.44
Others	0.23	17.01
	<b>213.33</b>	<b>336.84</b>
<b>27 Cost of material consumed</b>		
Opening stock	-	13.52
Stock transfer from amalgamated entity	216.95	
Add: Purchases during the year	75.36	56.66
Less: Closing stock	188.93	-
	<b>103.38</b>	<b>70.18</b>
<b>28 Other operating expenses</b>		
Outsourcing Services	344.05	173.02
Software tools cost	276.02	323.52
Installation & data charges	11.44	83.72
Job work charges	24.85	82.69
Subscription Charges	23.63	-
	<b>679.99</b>	<b>662.95</b>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus	7,870.68	5,857.42
Contribution to provident fund, gratuity and other funds	241.39	195.25
Share based payment to employees	334.39	47.40
Staff welfare expenses	143.85	70.94
	<b>8,590.31</b>	<b>6,171.01</b>

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>30 Finance costs</b>		
Interest on working capital loan	116.21	134.73
Interest on other loans	667.14	689.75
Interest on Leased Liability	54.64	-
Bank charges	4.87	8.34
	<b>842.86</b>	<b>832.82</b>
<b>31 Other expenses</b>		
Software expenses	21.68	9.00
Power and fuel	1.59	21.13
Director sitting fee	12.45	11.94
Repairs and maintenance	9.70	3.10
Auditors remuneration (refer note 35)	5.49	6.05
Postage, telegram and telephone expenses	3.68	2.91
Lease rentals (refer note 38)	31.07	142.95
Rent on equipment's	54.41	30.45
Business promotion and advertisement expenses	9.97	90.85
Security expenses	0.48	4.52
Travelling and conveyance	19.04	11.73
Rates and taxes	15.27	10.40
Professional charges	55.37	41.93
Printing and stationary	2.67	0.48
Communication expenses	21.76	16.99
Insurance	2.98	3.36
Office maintenance	15.18	37.64
General expenses	42.82	101.02
Allowances for Doubtful Receivables	49.58	183.36
Bad debts written off	0.99	-
Allowances for Doubtful deposits (net)	264.48	-
	<b>640.66</b>	<b>729.81</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

### 32 Contingent liabilities and commitments

Particulars	As at 31 March 22	As at 31 March 21
i) Contingent liabilities:		
- Bank guarantees issued	23.85	28.67
- Claims against the Company not acknowledged as debt (refer note below)	1,057.93	-

The Company disputed demand raised by income tax authorities for the assessment years 2019-20 which are pending commissioner appeals. The aggregate amount of disputed tax not provided for is ₹ 1,057.93 lakhs (March 31, 2021 - ₹ 1,057.93 lakhs). The Company is confident that these appeals will be decided in its favour.

### 33 Related party disclosures

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

Name of the parties	Relationship as on 31 March 2022
<b>Holding and Subsidiary Companies</b>	
Mayuka Holdings Private Limited **	Holding Company
EIJI Holding Pte Limited **	Ultimate Holding Company
Oshin Global Pte Limited **	Holding Company
MosChip Technologies, USA	Wholly owned subsidiary
MosChip Institute of Silicon Systems Pvt. Ltd	Wholly owned subsidiary
Maven Systems Pvt. Ltd.#	Wholly owned subsidiary
<b>Directors and relatives *</b>	
Mr. Damodar Rao Gummadapu	Non-Executive Director.
Mr. K Ramachandra Reddy	Non-Executive Director.
Mrs. Asha Nimmagadda	Relative of Promoter of Holding company
<b>Key Management Personnel and relatives *</b>	
Mr. Venkata Sudhakar Simhadri - Managing Director & Chief Executive Officer"	Key Management Personnel
Mr. Jayaram Susarla - Chief Financial Officer	Key Management Personnel
Mr. Suresh Bachalakura - Company Secretary	Key Management Personnel
<b>Others*</b>	
Magica Sports Ventures Private Limited	Common Director in Holding company and Magica Sports
Blaster Sports Private Limited	Common Director in Holding company and Blaster Sports
Techwave Consulting Inc, USA	Director has significant influence
Techwave Infotech Private Limited	Director has significant influence
Techwave Infotech Pte Ltd	Director has significant influence
Jaagruthi Info Technologies Private Limited	Director has significant influence
* In terms of Para 18 of Ind AS 24, the above list represents only the Companies, directors, KMP's and relatives, who are having transactions with the Company.	
** Oshin Global Pte Limited and EIJI Holdings Pte Limited have merged with Mayuka Holdings Private Limited	
# Maven Systems Pvt Limited merged with MosChip Technologies Limited wef. 1st April 2021	
As per clause 8 of general instruction to Division II of Schedule III to the Companies Act, the above related parties are identified as per the terms and meaning assigned in Ind AS 24 Related Party Disclosures.	

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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

Particulars	Year ended 31 March 22	Year ended 31 March 21
<b>Revenue from operations</b>		
MosChip Technologies, USA	3,951.05	1,860.46
<b>Reimbursement of expenses</b>		
MosChip Technologies, USA	21.27	-
<b>Loans repayment</b>		
Mayuka Holdings Private Limited	400.00	-
Jaagruthi Info Technologies Private Limited	-	100.00
<b>Loans received</b>		
Mayuka Holdings Private Limited	-	100.00
<b>Loans - given</b>		
Maven Systems Private Limited	-	108.00
<b>Interest income</b>		
Maven Systems Private Limited	-	207.38
<b>Interest expenses</b>		
Jaagruthi Info Technologies Private Limited	-	16.29
Ms. Asha Nimmagadda	90.00	90.00
Mayuka Holdings Private Limited	577.14	583.45
<b>Other expenses / (Income)</b>		
Magica Sports Ventures Private Limited	-	(61.44)
Blaster Sports Private Limited	-	90.00
Techwave Infotech Pte Ltd	-	0.37
<b>Transactions with Key Management Personnel</b>		
Remuneration to Managing Director and CEO	224.00	163.20
Number of Stock Options Granted/outstanding to Managing Director and CEO	12.00	12.00
Remuneration to other Key Management Personnel (including perquisite on exercise of ESOP options)	131.42	67.78
Number of Stock Options Granted/outstanding to Key Management Personnel	3.63	5.40
Remuneration disclosed above does not include insurance and other employee benefits (Gratuity and compensated absences). Gratuity and compensated absences is accrued in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.		

c) Balances outstanding:

Particulars	As at 31 March 22	As at 31 March 21
Techwave Infotech Private Limited ( Payable - trade advance)	492.64	492.64
Techwave Infotech Pte Ltd (payable)	0.37	0.37
MosChip Technologies, USA (Receivables (Net))	2,500.16	1,571.48
Maven Systems Private Limited (Receivables)	-	1,008.58
MosChip Institute of Silicon Systems Private Limited, Advance / (Payable)	99.85	84.48
Maven Systems Private Limited (Loan given)	-	2,483.75
<b>Loan and Interest Payable</b>		
Mayuka Holdings Private Limited	3,850.95	4,250.95

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

### d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 34 Segment information

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

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

Information on reportable segments for the year ended 31 March 2022 and 31 March 2021 is given below:

#### A Business Segment

	Year ended 31 March 22	Year ended 31 March 21
<b>Revenue</b>		
Semiconductor	10,443.49	7,287.56
Embedded	1,626.83	1,120.91
<b>Total</b>	<b>12,070.32</b>	<b>8,408.47</b>
<b>Direct cost</b>		
Semiconductor	6,489.45	4,868.95
Embedded	1,937.80	1,332.46
<b>Segment operational income</b>		
Semiconductor	3,954.04	2,418.61
Embedded	(310.97)	(211.55)
<b>Total Operational income</b>	<b>3,643.07</b>	<b>2,207.06</b>
Other Income	213.33	336.84
Un allocated expenses	(1,587.09)	(1,432.54)
Finance charges	(842.86)	(832.82)
Depreciation and amortisation expenses	(889.35)	(459.96)
<b>Profit / (loss) before tax</b>	<b>537.10</b>	<b>(181.42)</b>
Tax expenses	-	3.13
<b>Profit / (loss) after tax</b>	<b>537.10</b>	<b>(184.55)</b>

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

**Statement of Segment assets and Segment liabilities**

	As at 31 March 22	As at 31 March 21
<b>Segment assets</b>		
Semiconductor	13,222.38	10,409.33
Embedded	2,142.78	6,733.11
Un allocable segment assets	1,281.35	481.87
<b>Total</b>	<b>16,646.51</b>	<b>17,624.31</b>
<b>Segment Liabilities</b>		
Semiconductor	488.02	558.04
Embedded	78.22	128.79
Un allocable segment Liabilities	8,732.38	8,277.85
<b>Total</b>	<b>9,298.62</b>	<b>8,964.68</b>
<b>Capital employed</b>	<b>7,347.89</b>	<b>8,659.63</b>

**35 Auditors' remuneration**

Particulars	Year ended 31 March 22	Year ended 31 March 21
Statutory audit fee	3.00	3.00
Tax audit fee	0.90	0.90
Other services (Incl. limited reviews)	1.59	2.15
<b>Total</b>	<b>5.49</b>	<b>6.05</b>

**36 Details of employee benefits as required by the INDAS-19 – Employee Benefits are as under:**

**i. Defined Contribution Plans**

The Company makes contributions to Provident Fund which is defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds.

The Company has recognized as an expense in the Statement of Profit and Loss Rs. 133.97 lakhs(31 March 2021:Rs.106.24 lakhs) for Provident Fund contributions.

**ii. Defined Benefit Plan**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded.

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**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

The following table sets out the Changes in Defined Benefit Obligation ('DBO') and planned assets recognized in the Balance Sheet are as under.

Particulars	As at 31 March 22	As at 31 March 21
<b>Defined benefit obligation at the beginning of the year</b>	<b>408.40</b>	<b>315.29</b>
Service cost	82.15	65.90
Interest cost	17.50	14.69
Benefits paid	(50.28)	(63.71)
Actuarial gain	102.47	76.23
On account of business combinations	1.37	-
<b>Defined benefit obligation at the end of the year</b>	<b>561.61</b>	<b>408.40</b>
<b>Change in Fair Value of Plan Assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	<b>6.11</b>	<b>3.41</b>
Employer Contributions	65.58	66.21
Interest income on Plan Assets	-	(1.44)
Actuarial (gain)/loss on plan assets	0.90	1.65
Benefits Paid	(50.27)	(63.72)
<b>Fair value of plan assets at the end of the year</b>	<b>22.32</b>	<b>6.11</b>
Present value of projected benefit obligation at the end of the year	561.61	408.40
Fair value of plan assets at the end of the year	22.32	6.11
<b>Net liability recognised in the balance sheet</b>	<b>539.29</b>	<b>402.29</b>
Non Current provision	423.52	313.45
Current provision	115.77	88.84

Expenses recognised in statement of profit and loss	Year ended 31 March 22	Year ended 31 March 21
Service cost	82.15	65.90
Interest cost (Incl. Interest on asset)	17.50	14.69
Expenses recognised in statement of profit and loss	99.65	80.59
<b>Gratuity cost</b>		
Actuarial gain / (loss) due to financial assumption changes	(10.71)	7.95
Actuarial gain / (loss) due to experience adjustments	113.18	68.28
Return on plan assets greater (less) than discount rate	(0.90)	(1.65)
<b>Total expenses routed through OCI</b>	<b>101.57</b>	<b>74.58</b>



**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

Assumptions	As at 31 March 22	As at 31 March 21
Discount rate	5.35%	4.85%
Future salary increases	7.00%	7.00%
Employee turnover		
Age Years		
21-30	32.00%	32.18%
31-40	36.00%	35.96%
41-50	16.00%	15.96%
51-59	22.00%	21.86%

**Sensitivity Analysis**

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

	As at 31 March 22	As at 31 March 21
Effect of + 0.5% change in rate of discounting	(1.84)%	(1.92)%
Effect of - 0.5% change in rate of discounting	1.91%	2.00%
Effect of + 0.5% change in rate of salary increase	1.70%	1.77%
Effect of - 0.5% change in rate of salary increase	(1.67)%	(1.74)%

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

**37 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.

**38 Leases**

- a 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. The Company has taken on lease office premises located at MyHome Twitza, Gachibowli.

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

- b **Lease Expenses recognised in Profit and Loss statement not included in the measurement of lease liabilities:**

	Year ended 31 March 22	Year ended 31 March 21
Variable lease payments	-	-
Expenses relating to Short term Leases	31.07	142.95
Expenses relating to low value assets, excluding short term leases low value assets	-	-

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

**c The movement in lease liabilities is as follows:**

Particulars	Year ended 31 March 22	Year ended 31 March 21
Balance at the beginning	-	-
Additions	1,092.86	-
Finance cost accrued during the year	54.64	-
Payment of lease liabilities	(270.00)	-
<b>Balance at the end</b>	<b>877.50</b>	-

**d The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:**

Particulars	Year ended 31 March 22	Year ended 31 March 21
Less than one year	239.63	-
One to five years	637.87	-
<b>Total</b>	<b>877.50</b>	-

**e The total Cash outflow for leases (excluding short term leases) for the year ended 31 March 2022 is Rs 215.36 Lakhs (31 March 2021: Nil)**
**39 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:

All amounts in lakhs, except for EPS and Shares

Particulars	Year ended 31 March 22	Year ended 31 March 21
Profit / (loss) for the year	537.10	(184.55)
<b>Profit / (loss) attributable to equity share holders</b>	<b>537.10</b>	<b>(184.55)</b>
Equity Shares outstanding as at the end of the year (in nos.)	16,00,44,195	15,79,91,402
Weighted average number of Equity Shares used as a denominator for calculating Basic Earnings Per Share	15,88,40,879	15,79,91,402
Add: Dilutive impact of employee stock options	88,81,974	52,77,299
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	16,77,22,853	16,32,68,701
Earnings per share of par value ₹ 2 – Basic (₹)	0.34	(0.12)
Earnings per share of par value ₹ 2 – Diluted (₹)	0.32	(0.11)

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

**40 Deferred Tax**

Computation of Deferred Tax	Year ended 31 March 22	Year ended 31 March 21
<b>Opening Balance</b>	-	<b>3.13</b>
Other items	-	(3.13)
<b>Net Deferred Tax Asset / (Liability)</b>	-	-

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

Particulars	For the year ended 31 March 2021			
	Opening Balance	For the year	Recognized current year	Closing Balance
Other items	3.13	3.13	-	-
<b>Net Deferred Tax</b>	<b>3.13</b>	<b>3.13</b>	-	-

\* Other Items include Opening Balance of Deferred Tax Assets of amalgamating companies

**41 Employee Stock Option Plans**

The Employee Stock Option Plans are designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

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

Out of above plans the Company has granted options during the year ended 31 March 2022 in Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2005 (MI) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008 (ALR), Moschip Stock Option Plan 2008 (Director) and Moschip Stock Option Plan 2018.

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

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

Particulars	For Year Ended 31 March 2022					
	MosChip Stock Option Plan 2008	MosChip Stock Option Plan 2005 (MI)	MosChip Stock Option Plan 2005 (WOS)	MosChip Stock Option Plan 2008 (ALR)	MosChip Stock Option Plan 2008 (Director)	MosChip Stock Option Plan 2018
Options outstanding at the beginning of the year	14,30,000	4,00,000	25,000	9,50,000	10,00,000	53,97,000
Granted during the year	2,15,000	-	2,95,000	2,44,500	-	38,88,500
Forfeited during the year	60,584	-	15,000	1,97,501	-	5,20,381
Exercised during the year	5,29,327	2,68,381	18,750	3,91,665	-	8,44,670
Options outstanding at the end of the year	10,55,089	1,31,619	2,86,250	6,05,334	10,00,000	79,20,449

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

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

For Year Ended 31 March 2021						
Particulars	MosChip Stock Option Plan 2008	MosChip Stock Option Plan 2005 (M)	MosChip Stock Option Plan 2005 (WOS)	MosChip Stock Option Plan 2008 (ALR)	MosChip Stock Option Plan 2008 (Director)	MosChip Stock Option Plan 2018
Options outstanding at the beginning of the year	10,96,500	2,50,000	1,99,000	4,91,000	10,00,000	-
Granted during the year	5,87,000	1,50,000	-	5,09,000	-	56,11,000
Forfeited during the year	2,53,500	-	1,74,000	50,000	-	2,14,000
Exercised during the year						
Options outstanding at the end of the year	14,30,000	4,00,000	25,000	9,50,000	10,00,000	53,97,000

During the current year we have made reserve towards outstanding of ESOP's and Share based payment expenses for the year ended 31 March 2022 of Rs. 355.66 lakhs (31 March 2021 Rs. 47.40 lakhs) and Share based payment expenses for the year ended 31 March 2022 of Rs. 334.39 lakhs (31 March 2021 Rs. 47.40 lakhs).

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2022 was INR 43.29 (31 March 2021 – INR "Not Applicable").

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2022.

31 Mar 2022							
Grant date	26-Oct-18	20-Jul-20	25-Jan-21	27-Apr-21	20-Jul-21	20-Oct-21	17-Jan-22
Vesting Period	4 Years	3 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Excise price	₹ 18.00	₹ 16.00	₹ 16.00	₹ 18.00	₹ 24.00	₹ 31.28	₹ 40.00
Share options	15,70,000	46,45,741	4,00,000	4,25,000	20,93,000	1,25,000	17,40,000

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2021:

31 Mar 2021				
Grant date	25-Jan-21	20-Jul-20	26-Oct-18	12-Aug-15
Vesting Period	4 Years	3 Years	4 Years	4 Years
Excise price	₹ 16.00	₹ 16.00	₹ 18.00	₹ 5.98
Share options	4,00,000	61,93,000	26,09,000	20,000

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

### Valuation of stock options:

The fair value of services received in return for stock options granted to employees is measured by reference to the fair value of stock options granted. The fair value of stock options granted under various schemes have been measured using the Black-Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of par value options granted, the expected term of an option (or "option life") is estimated based on the vesting term and contractual term, as well as the expected exercise behavior of the employees receiving the option. In respect of fair market value options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. Dividend yield of the options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years.

The estimated fair value of stock options is recognised in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards.

The model inputs for options granted during the year ended 31 March 2022 included:

Grant Date	26-Oct-18	20-Jul-20	25-Jan-21	27-Apr-21	20-Jul-21	20-Oct-21	17-Jan-22
Vesting Period	4 Years	3 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Expiry Date	26-Oct-25	20-Jul-26	25-Jan-28	27-Apr-28	20-Jul-28	20-Oct-28	17-Jan-29
Excise Price	₹ 18.00	₹ 16.00	₹ 16.00	₹ 18.00	₹ 24.00	₹ 31.28	₹ 40.00
Share Price at Grant date	₹ 23.50	₹ 14.80	₹ 15.00	₹ 30.85	₹ 44.96	₹ 47.55	₹ 81.05
Expected price volatility of the company's shares	53%	55%	61%	60%	68%	66%	68%
Expected dividend yield	-	-	-	-	-	-	-
Risk free interest rate	8.04%	4.55%	4.58%	4.58%	4.58%	4.58%	5.21%

The model inputs for options granted during the year ended 31 March 2021 included:

Grant Date	20-Jul-20	26-Oct-18	12-Aug-15
Expiry Date	19-Jul-26	24-Oct-25	11-Aug-22
Excise Price	₹ 16.00	₹ 18.00	₹ 5.98
Share Price at Grant date	₹ 13.80	₹ 22.00	₹ 5.98
Expected price volatility of the company's shares	67.00%	58.33%	70.17%
Expected dividend yield	-	-	-
Risk free interest rate	4.55%	8.04%	6.60%

#### 42 Financial Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

**NOTES FORMING PART OF THE  
STANDALONE FINANCIAL STATEMENTS**

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

**(a) Financial Instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2022 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total carrying value*
<b>Financial asset</b>				
Investments	-	-	2,820.53	2,820.53
Trade receivables - Non current	221.31	-	-	221.31
Trade receivables - Current	-	-	4,703.58	4,703.58
Cash and cash equivalents	-	-	38.00	38.00
Other bank balances	-	-	23.85	23.85
Other financial assets	-	-	902.43	902.43
<b>Total</b>	<b>221.31</b>	<b>-</b>	<b>8,488.39</b>	<b>8,709.70</b>
<b>Financial liabilities</b>				
Borrowings - long term	-	-	144.47	144.47
Lease liabilities - non current	-	-	637.87	637.87
Other financial liabilities - non current	-	-	375.84	375.84
Borrowings - short term	-	-	5,739.36	5,739.36
Trade payables	-	-	1,127.77	1,127.77
Lease liabilities - current	-	-	239.63	239.63
Other financial liabilities	-	-	2.35	2.35
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,267.29</b>	<b>8,267.29</b>

The carrying value and fair value of financial instruments by categories as at March 31, 2021 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total carrying value*
<b>Financial asset</b>				
Investment	-	-	3,388.53	3,388.53
Trade receivables - Non current	286.73	-	-	286.73
Trade receivables - Current	-	-	4,537.02	4,537.02
Cash and cash equivalents	-	-	210.88	210.88
Other bank balances	-	-	28.67	28.67
Other financial assets	-	-	3,498.86	3,498.86
<b>Total</b>	<b>286.73</b>	<b>-</b>	<b>11,663.96</b>	<b>11,950.69</b>
<b>Financial liabilities</b>				
Borrowings - long term	-	-	241.57	241.57
Other financial liabilities - Non current	-	-	375.84	375.84
Borrowings - short term	-	-	5,703.17	5,703.17
Trade payables	-	-	1,433.00	1,433.00
Other financial liabilities - Current	-	-	7.29	7.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,760.87</b>	<b>7,760.87</b>

\*The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled receivables, loans, trade payables, borrowing and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

### (b) Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt and the interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with interest rates.

#### Interest rate sensitivity

If interest rates had been 1 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2022 would decrease/increase by Rs. 56.56 lakhs (31 March 2021: decrease/increase by Rs. 59.31 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

#### Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 5,889.17 lakhs and ₹ 8,562.16 lakhs as of 31 March 2022 and 31 March 2021 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet date whether a financial asset or a Company of financial assets is impaired.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss allowance is based on the ageing of receivables and the rates in the provision matrix. Movement in the expected credit loss allowance is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,111.80	-
Movement in the expected credit loss allowance on trade receivables and other financial assets:		
Provided during the year	49.58	1,111.80
Transferred from amalgamated company	89.30	
Reversed/utilised during the year		
<b>Balance at the end of the year</b>	<b>1,250.68</b>	<b>1,111.80</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

### Concentration Risk

"Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks with high credit ratings assigned by credit rating agencies.

Trade receivable - The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is a single customer contributing more than 33% of outstanding trade receivables and unbilled revenues.

### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022:

	On demand	Less than 1 year	1 to 3 years	3 to 5 years	>5 years	Total
<b>Year ended 31 March 2022</b>						
Borrowings - long term	-	104.88	39.59	-	-	144.47
Lease liabilities - Non current	-	265.78	372.09	-	-	637.87
Other Financial Liabilities - long term	-	375.84	-	-	-	375.84
Borrowings - short term	5,739.36	-	-	-	-	5,739.36
Trade payables	1,127.77	-	-	-	-	1,127.77
Lease liabilities - current	239.63	-	-	-	-	239.63
Other Financial Liabilities - current	2.35	-	-	-	-	2.35

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021:

	On demand	Less than 1 year	1 to 3 years	3 to 5 years	>5 years	Total
<b>Year ended 31 March 2021</b>						
Borrowings - long term	-	60.39	181.18	-	-	241.57
Other Financial Liabilities - long term	-	281.88	93.96	-	-	375.84
Borrowings - short term	5,703.17	-	-	-	-	5,703.17
Trade payables	1,433.00	-	-	-	-	1,433.00
Other Financial Liabilities - Current	7.29	-	-	-	-	7.29

### (c) Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves..



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

The capital structure as of 31 March 2022 and 31 March 2021 was as follows:

Particulars	As at 31 March 22	As at 31 March 21
Total equity attributable to the equity shareholders of the Company	7,347.89	8,659.63
As a percentage of total capital	56%	59%
Long term borrowings including current maturities	144.47	241.57
Short term borrowings	5,739.36	5,703.17
Total borrowings	5,883.83	5,944.74
As a percentage of total capital	44%	41%
Total capital (equity and borrowings)	13,231.72	14,604.37

### 43 Goodwill

Following is the summary of changes in carrying amount of goodwill:

	As at 31 March 22	As at 31 March 21
Balance at the beginning of the year	4,441.50	4,441.50
On addition of amalgamation (refer note 44)	1,069.50	-
Impairment of Goodwill	-	-
<b>Balance at the end of the year</b>	<b>5,511.00</b>	<b>4,441.50</b>

Goodwill impairment testing has been carried out, the recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

**The key assumptions used are as follows:**

#### Budgeted Projections:

The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.

#### Budgeted gross margins:

Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements.

#### Price inflation:

The values assigned to the key assumption are consistent with external sources of information.

### 44 Merger of Maven Systems Private Limited

Maven Systems Private Limited ("Maven") a Wholly owned Subsidiary of MosChip Technologies Limited ("MosChip") was merged with MosChip, effective from 1 April 2021. Pursuant to the Scheme of amalgamation. All the assets and liabilities and reserves stand transferred and vested in MosChip. The amalgamation had been accounted for under "Pooling of Interests" method in accordance with Appendix C of Ind AS 103 'Business Combinations' and in accordance with the Scheme approved by NCLT. Accordingly, the assets, liabilities and reserves have been taken over at their book values. As Maven was a wholly owned subsidiary of MosChip, no consideration was paid to effect the amalgamation. The fair value of net assets acquired on the acquisition date amounted to ₹ 501.49 lakhs (Negative network). The excess of investments Rs. 568 lakhs over the fair value of the net assets Rs. 501.49 lakhs (Negative network) acquired has been attributed towards goodwill of Rs. 1,069.49 lakhs.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, except share and per share data and where otherwise stated)

Particulars		₹ In lakhs
Investment in Maven		568.00
Less: Netwoth of Maven		(501.49)
<b>Goodwill</b>		<b>1,069.49</b>

### 45 Additional regulatory information

#### a. Details of Benami Property held

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

#### b. Relationship with Struck off Companies

The company doesn't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

#### c. Revaluation Of Property, Plant and Equipment and Intangible Assets

The Company has not done revaluation of Property, Plant and Equipment / Intangible assets.

#### d. Utilisation Of borrowed funds and share premium

As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and the company has not obtained any fresh long term borrowings from banks and financial institutions.

#### e. Undisclosed income

The Company does not have any such trasaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### f. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

#### g. Registration of charges or satisfaction with registrar of companies

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

#### h. Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies ( Restriction on number of Layers) Rules, 2017.

i. Refer **Annexure A** for required ratios

### 46 Disclosure as per section 186 of the Companies Act,2013

The details of investments made under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in note no.6, these investments are made for business activities.

47 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

48 Figures have been rounded off to nearest lakhs and previous year figures have been regrouped wherever necessary, to correspond with the current period classification / disclosure and there is no impact on total income and net profit.

As per our report of even date attached

For **ST Mohite & Co.**,  
Chartered Accountants  
ICAI Firm Reg.No. 011410S

For and on behalf of the Board  
**MosChip Technologies Limited**

**Sreenivasa Rao T Mohite**  
Partner  
Membership No. 015635  
ICAI UDIN:22015635AHZUHS2191

**Venkata Sudhakar Simhadri**  
Managing Director & CEO  
DIN : 01883241

**Jayaram Susarla**  
Chief Financial Officer

**K. Ramachandra Reddy**  
Non Executive Director  
DIN : 00042172

**Suresh Bachalakura**  
Company Secretary  
M.No. ACS 39381

Place : Hyderabad  
Date : 28 April 2022

Place : Hyderabad  
Date : 28 April 2022

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ` lakhs, except share and per share data and where otherwise stated)

### Annexure A The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance	Remarks
Current Ratio	Current assets	Current liabilities	0.86	1.12	-23%	Note i
Debt – Equity Ratio	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.92	0.69	34%	Note ii
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt Service(3)	0.45	0.25	82%	Note iii
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	7%	-2%	-419%	Note iii
Trade receivables turnover ratio	Revenue	Average Trade Receivable	2.61	2.15	22%	
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.11	1.01	11%	
Net capital turnover ratio	Revenue	Working Capital	-11.45	9.07	-226%	Note i
Net profit ratio	Net Profit	Revenue	4%	-2%	-303%	Note iii
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	74%	15%	378%	Note iii
Return on Investment(ROI) (5)	Income generated from investments	Time weighted average investments	NA	NA	NA	

1 Total Debts = Borrowings + Leased Liabilities

2 Earnings available for Debts Service = Net Profit after taxes + Non-cash operating expenses + interest - Non-cash operating incomes

3 Debt Services = Borrowings + Leased Liabilities

4 Capital Employed = Tangible net worth + Lease Liabilities

5 Return on investments of the company "Not Applicable" as the company doesn't have traded investments

#### Notes

- During the year Maven Systems Private Limited (WoS) merged with MosChip, hence the advances given to Maven eliminated.
- Lease liabilities added to liabilities and Maven losses reduced from shareholders equity.
- Business & efficiency of the company improved significantly, resulted to show the profit in the current year against losses in the previous year

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

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### NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 23<sup>rd</sup> (Twenty Third) Annual General Meeting (AGM) of the members of MosChip Technologies Limited will be held on Friday, the 26<sup>th</sup> day of August, 2022 at 11.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31<sup>st</sup> March, 2022 together with the reports of the Board of Directors and the Auditors thereon and in this regard to pass the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 together with the reports of the Auditors and Directors thereon and the Audited Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted."

2. To appoint a Director in place of Mr. Damodar Rao Gummadapu (DIN: 07027779), 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. Damodar Rao Gummadapu (DIN: 07027779), 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."

3. **Re-appointment of M/s. S. T. Mohite & Co., Chartered Accountants as Statutory Auditors of the Company for the second term of 5 years and fix their remuneration**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. S. T. Mohite & Co., Chartered Accountants, Hyderabad having firm registration No.011410S, be and are hereby re-appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office from the conclusion of this 23<sup>rd</sup> Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

**By Order of the Board of Directors**

**CS Suresh Bachalakura  
Company Secretary  
(A39381)**

**Place: Hyderabad  
Date: 14<sup>th</sup> July, 2022**

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

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### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to Ordinary Business under Item No.3 of the Notice, is annexed hereto.
2. Brief profile of Mr. Damodar Rao Gummadapu proposed to be re-appointed (retire by rotation) along with the names of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Regulation 36(3) of the Regulations are also annexed to this notice.
3. In accordance with the applicable MCA Circulars, SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
4. The Company has made arrangements through its Registrar & Transfer Agent (RTA), KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited') ("KFintech"), to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the AGM and for conducting of the e-AGM. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. Pursuant to the provisions of Section 105 the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/ her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the applicable MCA and SEBI Circulars as mentioned herein above, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.
6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. Corporate Members intending to depute their authorized representatives to attend the Meeting through VC/ OAVM are requested to send to the Company a certified true copy of the Board Resolution together with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend and vote at the Meeting on their behalf.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
9. The Board of Directors of the Company has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 19<sup>th</sup> day of August, 2022 to 26<sup>th</sup> day of August, 2022 (both days inclusive).
11. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled-in to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.
12. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to KFin Technologies Private Limited in case the shares are held by them in physical form.
13. As per Regulation 40 of the Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s. KFin Technologies Private Limited, Hyderabad for assistance in this regard.
14. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide their PAN details to their respective DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

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15. In accordance with, the MCA Circulars and SEBI Circulars, the Notice of AGM & 23<sup>rd</sup> Annual Report is being sent only in electronic mode to Members whose e-mail addresses are registered with the Company or the Depository Participant(s).

As physical copy of the AGM Notice will not be sent by the modes permitted under Companies Act, 2013, the AGM Notice is available on the Company's website at <https://www.moschip.com> and website of the Stock Exchange i.e. BSE Limited at <https://www.bseindia.com/> and on the website of Registrar and Share Transfer Agent at <https://www.kfintech.com>.

16. Members desiring any information with regard to AGM are requested to write to the Company at an early date so as to enable the management to keep the information ready.
17. The registers i.e Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available electronically for inspection by members during the AGM. All documents referred to in this Notice and the Explanatory Statement annexed hereto will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. August 26, 2022. Members seeking to inspect such documents can send an email to [investorrelations@moschip.com](mailto:investorrelations@moschip.com).
18. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository participants (DPs), in case the shares are held by them in electronic form/Demat form and with KFin Technologies Private Limited, in case the shares are held by them in physical form for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically. Alternatively, members holding shares in physical form are requested to send their email address and mobile number to the company mail id [investorrelations@moschip.com](mailto:investorrelations@moschip.com).

**19. PROCEDURE FOR REMOTE E-VOTING**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolution(s) set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process will be enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences on Tuesday, 23<sup>rd</sup> August, 2022 at 9:00 A.M. and ends on Thursday, 25<sup>th</sup> August, 2022 at 5:00 P.M. The remote e-voting module will be disabled by KFinTech thereafter.
- v. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, August 19, 2022.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Step 3:** Access to join virtual meetings (e-AGM) of the Company on KFintech system to participate e-AGM and vote at the AGM

**Details on Step 1 are mentioned below:**

**I) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Type of share holders	Login Method
Individual Share holders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. User already registered for IDeAS facility:                             <ol style="list-style-type: none"> <li>i. Visit URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a></li> <li>ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. User not registered for IDeAS e-Services                             <ol style="list-style-type: none"> <li>i. To register click on link : <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a></li> <li>ii. Select "Register Online for IDeAS" or click at: <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>iii. Proceed with completing the required fields.</li> <li>iv. Follow steps given in points 1</li> </ol> </li> <li>3. Alternatively by directly accessing the e-Voting website of NSDL                             <ol style="list-style-type: none"> <li>i. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>ii. Click on the icon "Login" which is available under Shareholder/Member' section.</li> <li>iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>iv. Post successful authentication, you will be requested to select the name of the company and the eVoting Service Provider name, i.e. KFintech.</li> <li>v. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>
Individual Share holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing user who have opted for Easi / Easiest                             <ol style="list-style-type: none"> <li>i. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> URL: <a href="http://www.cdslindia.com/">http://www.cdslindia.com/</a></li> <li>ii. Click on New System Myeasi</li> <li>iii. Login with your registered user id and password.</li> <li>iv. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>v. Click on e-Voting service provider name to cast your vote.</li> </ol> </li> </ol>

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

	<ol style="list-style-type: none"> <li>2. User not registered for Easi/Easiest             <ol style="list-style-type: none"> <li>i. Option to register available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>ii. Proceed with completing the required fields.</li> <li>iii. Follow the steps given in point 1.</li> </ol> </li> <li>3. Alternatively, by directly accessing the e-Voting website of CDSL             <ol style="list-style-type: none"> <li>i. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii. Provide your demat Account Number and PAN No.</li> <li>iii. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>iv. After successful authentication, user will be provided links for the respective ESP, i.e KFinTech where the e- Voting is in progress.</li> </ol> </li> </ol>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote eVoting period without any further authentication.</li> </ol>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Help desk details
<b>Securities held with NSDL</b>	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
<b>Securities held with CDSL</b>	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**Details on Step 2 are mentioned below:**

### II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 6625, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".



## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

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- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVEN" i.e., "MOSCHIP TECHNOLOGIES LIMITED - AGM" and click on "Submit"
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id cs@bssandassociates.com with a copy marked to evoting@kfintech.com. The scanned image of the abovementioned documents should be in the naming format "Corporate Name Even No."
- B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number registered with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobileemailreg/mobileemailreg.aspx> Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
  - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Notice of AGM and the e-voting instructions.
  - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

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### Details on Step 3 are mentioned below:

#### **III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [investor.relations@MosChip.com](mailto:investor.relations@MosChip.com). Questions /queries received by the Company till 11 AM on Wednesday, August 24, 2022 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through evoting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### **OTHER INSTRUCTIONS**

- I. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com/> and login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Speaker Registration', which will remain open from Monday, August 22, 2022, 09:00 A.M. till Wednesday, August 24, 2022, 5:00 P.M. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
  - II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting [https://emeetings.kfintech.com](https://emeetings.kfintech.com/). Please login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Post Your Question' option which will remain open from Monday, August 22, 2022, 09:00 A.M. till Wednesday, August 24, 2022, 5:00 P.M.
  - III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of [https://evoting.kfintech.com/\(KFinTech Website\)](https://evoting.kfintech.com/(KFinTech Website)) or contact Mr. V Raghunath, Manager – RIS, at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFinTech's toll free No. 1-800-309-4001 for any further clarifications.
  - IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, August 19, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
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## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

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- V. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, July 22, 2022. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
    1. Example for NSDL: MYEPWD <SPACE> IN12345612345678
    2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
    3. Example for Physical: MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- VI. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman or any other person authorised by him shall declare the result of the voting forthwith.
- VII. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at <https://www.moschip.com> and Service Provider's website at <https://evoting.kfintech.com/> and the communication will be sent to the BSE Limited.

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## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

### Explanatory Statement

*[Pursuant to Section 102(1) of the Act, the following Explanatory Statement sets out material facts relating to the business under Item No. 3 of the accompanying Notice dated: 14<sup>th</sup> July, 2022 convening the 23<sup>rd</sup> Annual General Meeting of the Company scheduled for 26<sup>th</sup> August, 2022.]*

#### **Item No. 3:**

#### **Ordinary Resolution : Re-appointment of Statutory Auditors for the second term of 5 years**

The Members of the Company at the 18<sup>th</sup> Annual General Meeting ('AGM') held on September 29, 2017, had approved the appointment of M/s. S. T. Mohite & Co., Chartered Accountants, Hyderabad having firm registration No 011410S, as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 18<sup>th</sup> AGM until the conclusion of the 23<sup>rd</sup> AGM. Accordingly, M/s. S. T. Mohite & Co would be completing its first term of five years at the conclusion of this 23<sup>rd</sup> AGM.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. M/s. S. T. Mohite & Co is eligible for reappointment for a further period of five years.

The Board of Directors, at its meeting held on July 14, 2022, based on the recommendation of the Audit Committee, approved the re-appointment of M/s. S. T. Mohite & Co for the second term of five years to hold office from the conclusion of the 23<sup>rd</sup> AGM till the conclusion of the 28<sup>th</sup> AGM to be held in the year 2027, at a remuneration upto Rs.4,00,000 plus applicable taxes and reimbursement of out-of-pocket expenses for the financial year ended March 31, 2023 and proposed the same for approval of the members. Besides the audit services, the Company would also obtain certifications which are to be mandatorily received from the statutory auditors under various regulations. The Board of Directors and the Audit Committee shall approve the revision in the remuneration of the statutory auditors, for the balance part of the tenure, based on the performance review and any additional efforts on account of changes in regulations or management processes, business acquisitions, internal restructurings or other considerations.

M/s. S. T. Mohite & Co. has consented to their appointment and confirmed that their appointment if made, would be in accordance with Section 139 read with Section 141 of the Act. M/s. S. T. Mohite & Co. has also confirmed that they have subjected themselves to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

Based on the recommendation made by the Audit Committee, after assessing the performance of M/s. S. T. Mohite & Co. and considering the experience and expertise of M/s. S. T. Mohite & Co., the Board recommends the re-appointment of M/s. S. T. Mohite & Co. as Statutory Auditors for the second term of 5 years, as set out in the Resolution no. 3, for approval of the Members as an Ordinary Resolution.

1	Proposed Fee Payable	Rs. 4,00,000/- plus applicable taxes and out of pocket expenses for the FY 2022-23.
2	Terms of appointment	M/s. S. T. Mohite & Co., Chartered Accountants, will hold office from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting to conduct the audit of accounts of the Company for the financial years 2022-23 to 2027-28.
3	Any material Change in the fee payable to auditor from that paid to the outgoing auditor along with the rationale for such change	Not applicable
4	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor (s) proposed to be appointed.	M/s. S. T. Mohite & Co., Chartered Accountants established in the year 2006 and having firm registration number 011410S and having its office at G5, B-Block, Paragon Venkatadri Apartments, 3-4-812, Street No. 1, Barkatpura, Hyderabad - 500 027. They are having more than 16 years of experience in providing audit, tax and advisory services.

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

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None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommend passing of the Ordinary Resolution set out in Item No. 03 of the Notice for the approval of the shareholders.

**By Order of the Board of Directors**

**Place: Hyderabad**  
**Date: 14<sup>th</sup> July, 2022**

**CS Suresh Bachalakura**  
**Company Secretary**  
**(A39381)**

**Registered office address:**  
7<sup>th</sup> Floor, My Home Twitza,  
TSIIC Hyderabad Knowledge City,  
Hyderabad, Telangana – 500081.

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## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

### Details of Directors seeking Appointment/ Re-appointment in the ensuing Annual General Meeting pursuant to Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2

Particulars	Mr. Damodar Rao Gummadapu
Director Identification Number (DIN)	07027779
Designation/category of the Director	Non-Executive (Non-Independent) Director
Date of Birth & Age	08 <sup>th</sup> June, 1970 & 52 years
Date of First Appointment	27/04/2018
Qualifications	Commerce Graduate, Qualified Chartered Accountant from ICAI and Cost Accountant.
Expertise in specific functional areas	Entrepreneur & SAP Consultant & Information Technology solutions, Finance & Administration.
Terms and conditions of appointment or re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Damodar Rao Gummadapu who was appointed as Non-Executive Director at the AGM held on 29.09.2018, is liable to retire by rotation
Directorships held in other public companies (excluding foreign Companies and Section 8 companies) Names of listed Companies, if any.	0
Memberships / Chairmanships of committees of other companies including listed companies and excluding foreign companies as of the date of this Notice	Nil
Remuneration last drawn	No Remuneration was drawn
Details of remuneration sought to be paid	He shall be paid a fee for attending meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings
Number of equity shares held in the Company	2,06,000
Disclosure of Inter-se relationship between Directors and KMP's.	No inter-se relationship between Directors and KMP's
Number of meetings of the Board attended during the financial year (2021-22)	03 out of 04
In the case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	-

**Brief resume:**

Mr. Damodar Rao Gummadapu has more than 28 years of global experience across various Fortune 500 companies including big 5 consulting companies including KPMG, Bearing Point, Deloitte, Johnson & Johnson and Pfizer.

Mr. Damodar Rao Gummadapu is the co-founder of Techwave Consulting, USA & Hyderabad. He is a proven leader and instrumental for Techwave's rapid growth. He has experience in envisioning the role of technology solutions for business growth, optimization and expansion.

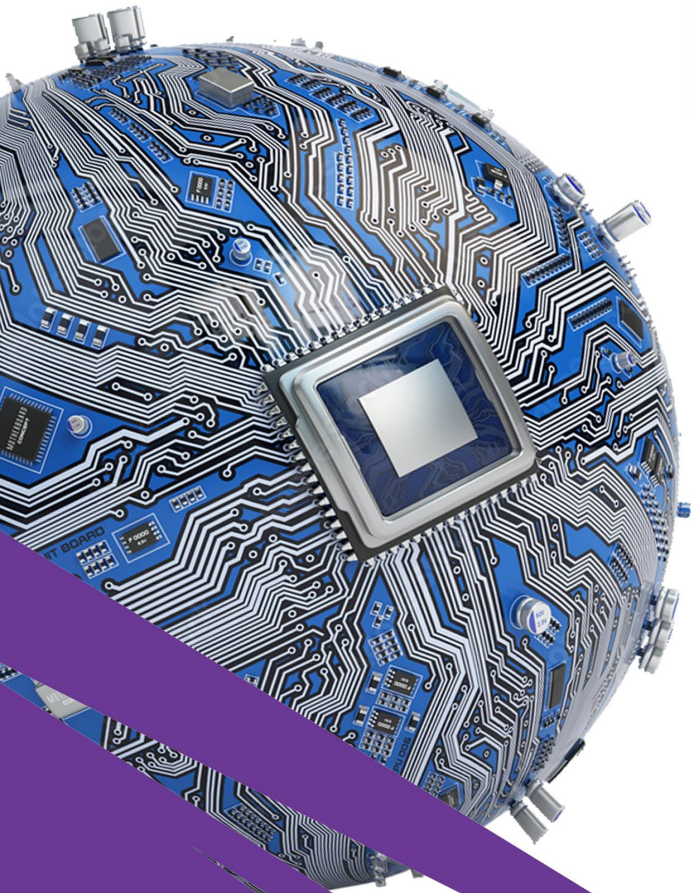
Mr. Damodar Rao Gummadapu is a Commerce Graduate and a qualified Chartered Accountant and Management & Cost Accountant.











## **HEADQUARTERS:**

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CIN: L31909TG1999PLC032184

## **BANGALORE OFFICE:**

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## **USA OFFICE:**

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# **MOSCHIP TECHNOLOGIES LIMITED**

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