MAVEN SYSTEMS PRIVATE LIMITED
CIN: U72900TG2009PTC146864
Reg Office: Plot No C -5, A (P) Survey No. 1, Laxmi Chambers, Industrial Park, beside lane GVK Bio, Uppal, Hyderabad, Rangareddy, Telangana, 500039, India.
Website: www.mavensytems.com, Email id: investorrelations@moschip.com

NOTICE TO THE UNSECURED CREDITORS OF MAVEN SYSTEMS PRIVATE LIMITED (CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH ('NCLT' OR 'TRIBUNAL')

Notice to Unsecured Creditors	
Day	Wednesday
Date	August 18, 2021
Time	10 AM (IST)
Mode	In view of the Covid-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal, Hyderabad Bench, the Tribunal Convened Meeting shall be conducted through Video Conferencing/ Other Audio-Visual Means("VC/OAVM")

Remote E-Voting/ E-Voting during the Tribunal Convened Meeting	**Remote E-Voting** Commencing on: 15th August, 2021 at 9:00 a.m.(IST) Ending on: 17th August, 2021 at 5:00 p.m. (IST) **E-Voting during the Tribunal Convened Meeting** E-voting facility shall also be available to the unsecured creditors of the Company during the Tribunal Convened Meeting

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HYDERABAD
CA (CAA) No. 26/230/HDB/2021

FORM NO. CAA.2
[Pursuant to Section 230(3) and
Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation Rules, 2016)]

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of Maven Systems Private Limited (Transferor Company) with MosChip Technologies Limited (Transferee Company) and their respective Shareholders and Creditors.

Maven Systems Private Limited,
a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No C -5, A (P) Survey No. 1, Laxmi Chambers, Industrial Park, beside lane GVK Bio, Uppal Hyderabad Rangareddy, Telangana, 500039, India.

... Applicant Company / Transferor Company

NOTICE OF THE TRIBUNAL CONVENING MEETING OF THE UNSECURED CREDITORS OF THE TRANSFEROR COMPANY AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH

To
The Unsecured Creditors of Maven Systems Private Limited,
("The Company" or Transferor Company")

NOTICE is hereby given that by an Order dated July 07, 2021 (the 'Order'), the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad, as directed that a meeting to be held of the Unsecured creditors of the Transferor Company for the purposes of considering, and if thought fit, approving, with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation of Maven Systems Private Limited (Transferor Company) and MosChip Technologies Limited (Transferee Company) and their respective shareholders and Creditors ('Scheme' or 'the Scheme').

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench **(NCLT)** and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or any other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (the **Board**, which term shall be deemed to mean and include one or more committee(s) constituted / to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the amalgamation embodied in the Scheme of Amalgamation of Maven Systems Private Limited ('Transferor Company') with MosChip Technologies Limited ('Transferee Company') and their respective Shareholders and Creditors (**Scheme**) placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT all the directors of the Company, (together, the Authorised Persons) be and are hereby authorised jointly and severally authorized to do all such acts, deeds, matters and things, as they may, in their absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required or imposed by the NCLT while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purposes of resolving any questions or doubts or difficulties that may arise including passing such accounting entries and / or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Authorised Persons may deem fit and proper."

In pursuance of the said NCLT order and as directed therein, further notice is hereby given that a Tribunal Convened Meeting of unsecured creditors of the Transferor Company will be held through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") on Wednesday, 18th August, 2021 at 10 A.M. following the operating procedures In the said meeting, the following resolution will be considered and, if thought fit, passed, with or without modification(s):

In compliance with the provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Maven Systems Private Limited has provided the facility of voting by remote E-Voting (commencing from 15th August, 2021 at 9:00 a.m. and ending at 17th August, 2021 at 5:00 p.m. as well as voting through E-Voting facility at the Tribunal Convened Meeting, so as to enable the Unsecured creditors, to consider and approve the Scheme. Accordingly, voting by Unsecured creditors of Maven Systems Private Limited shall be carried out through (a) E-Voting during the Tribunal Convened Meeting to be held on Wednesday, 18th August, 2021, and (b) Remote E-Voting. The Unsecured creditors opting to cast their votes by remote E-Voting or E-Voting during the Tribunal Convened Meeting through VC/OAVM are requested to read the instructions in the notes below carefully.

A copy of the Scheme, the Explanatory Statement under Section 230(3), section 232 (1) Section 232(2) and Section 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with enclosures as indicated in the index, are enclosed herewith. A copy of this notice and accompanying documents will be placed on the website of the Company, viz. www.mavensystems.com and also on the website of NSDL at www.evoting.nsdl.com. The Transferor Company shall furnish a copy of the Scheme within two working days of any requisition of the Scheme being made by any Unsecured creditors, to the Transferor Company to an e-mail at suresh.cs@moschip.com. A recorded transcript of the Tribunal Convened Meeting shall also be made available on the website of the Company.

The Tribunal has appointed Mr. Rajeev Ratna, Advocate (Mobile No. 9533631522) as Chairman of the aforesaid Tribunal Convened Meeting. Further, the Tribunal has also appointed Mr. Venkata Krishna Reddy Sabbella, ACS (Mobile No. 9492388926) as the Scrutinizer for the Tribunal Convened Meeting. The above-mentioned Scheme of Amalgamation, if approved in the Tribunal Convened Meeting, will be subject to the subsequent approval of the Tribunal.

In pursuance of Section 113 of the Act, Authorized Representatives of the Unsecured creditors may be appointed for the purpose of voting through remote e-Voting, for participation in the Meeting through VC/OAVM facility.

Upon completion of the scrutiny of the remote E-Voting and E-Voting during the Tribunal Convened Meeting, the Scrutinizer will submit his report.

Rajeev Ratna
Advocate
Chairman - Tribunal Convened Meeting of Unsecured creditors of MAVEN SYSTEMS PRIVATE LIMITED

Dated this July 16, 2021
Place: Hyderabad

Address:
Block No:L, Flat No:3,
MCH Colony, Jiyaguda,
Hyderabad-500006

CIN: U72900TG2009PTC146864
MAVEN SYSTEMS PRIVATE LIMITED

Registered Office:
Plot No C -5, A (P) Survey No. 1, Laxmi Chambers,
Industrial Park, beside lane GVK Bio,
Uppal Hyderabad Rangareddy, Telangana, 500039, India.

Notes for the meeting of the Unsecured creditors of the Transferor Company:

1. In view of the ongoing Covid-19 pandemic, social distancing norms to be followed and pursuant to the order dated July 07, 2021, in Company Application No. 26/230/HDB/2021 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") at Hyderabad, the meeting of the unsecured creditors of Maven Systems Private Limited ("Tribunal Convened Meeting") is being convened on Wednesday, 18th August, 2021 at 10.00 A.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the unsecured creditors at a common venue, as per applicable procedure mentioned in the General Circular No. 14/2020 dated 8thApril, 2020 read with General Circular no. 17/2020 dated 13th April, 2020 General Circular No.22/2020 dated 15 June 2020, General Circular No.33/2020 dated 28 September 2020, General Circular no. 39/2020 dated 31st December, 2020 and General Circular No.10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs (the "MCA circulars"), for the purpose of considering, and if thought fit, approving, with or without modification(s), Scheme of Amalgamation between Maven Systems Private Limited ("Transferor Company") and MosChip Technologies Limited ("Transferee Company") and their respective shareholders and creditors on a going concern basis, under the provisions of Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and rules framed thereunder ("Scheme").

2. Explanatory Statement under Sections 230(3), 232 (1) 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Tribunal Convened Meeting, is annexed hereto.

3. **In terms of the MCA Circulars, since the physical attendance of Unsecured Creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Unsecured Creditors under Section 105 of the Act will not be available for the Tribunal Convened Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

However, pursuant to Section 112 and Section 113 of the Act, Authorized Representatives of the Unsecured Creditors may be appointed for the purpose of voting through remote E-Voting, for participation in the Tribunal Convened Meeting through VC/OAVM facility and E-Voting during the Tribunal Convened Meeting, provided an authority letter/ power of attorney by the board of directors or a certified copy of the resolution passed by its board of directors or other governing body authorizing such representative to attend and vote at the meeting on its behalf along with the attested specimen signature of the duly authorized signatories who are authorized to vote is emailed to the Scrutinizer rajeevratnaadvocate@gmail.com with a copy marked to suresh.cs@moschip.com and evoting@nsdl.co.in.

4. Only such Unsecured Creditors of the Transferor Company may attend and/or e-vote (either in the Tribunal Convened Meeting through VC/OAVM or through remote E-Voting), whose names appear in the Chartered Accountant's certificate certifying the list of Unsecured Creditors of the Transferor Company as on 31st January, 2021, as has been filed with the Hyderabad bench of the NCLT. A person/ entity who is not a Unsecured Creditor on such date should treat the notice for information purposes only and shall not be entitled to avail the facility of voting at the venue of the Meeting.

5. The Unsecured Creditors can join the Tribunal Convened Meeting in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinbelow. The facility of participation at the Tribunal Convened Meeting through VC/ OAVM will be made available for 1,000 Unsecured Creditors on 'first come first serve' basis.

6. The attendance of the Unsecured Creditors attending the Tribunal Convened Meeting through VC/ OAVM will be counted for the purpose of reckoning the quorum. In terms of the directions contained in the Order dated 07th July, 2021, the quorum for the Meeting shall be 10 (Ten) unsecured creditors, who are attended the Meeting through VC/ OAVM.

7. Voting rights shall be reckoned on the outstanding value of the unsecured creditors as per the books of accounts of the Transferor Company as on 31st January, 2021. Persons who are not unsecured creditors of the Transferor Company as on the cut-off date i.e. 31st January, 2021, should treat this Notice for information purposes only.

8. In line with the aforesaid MCA Circulars and in terms of the directions contained in the Order dated 07th July, 2021, the Notice of the Tribunal Convened Meeting *inter-alia*, indicating the process and manner of voting through electronic means along with relevant documents are being sent only through electronic mode to those Unsecured Creditors whose email addresses are registered with the Company. Unsecured Creditors may note that this Notice along with the relevant documents will be available on the website of the Company at www.mavensystems.com and on the website of NSDL at www.evoting.nsdl.com.

9. In compliance with the aforesaid Circulars, the Company shall publish a public notice by way of an advertisement in Business Standard and in Nava Telangana, both having a wide circulation in Hyderabad, where the registered office of the Company is situated and having electronic editions, *inter alia*, advising the Unsecured Creditors whose e-mail ids are not registered with the Company, to register their e-mail ids with the Company.

10. **Instructions for Unsecured Creditors for Remote e-Voting are as under:**

    a. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and MCA Circulars, the Company is pleased to provide to its Unsecured Creditors facility to exercise their right to vote on resolutions proposed to be passed in the Tribunal Convened Meeting by electronic means.

    b. National Securities Depositories Limited ('NSDL') will be providing facility for remote E-Voting, participation in the Tribunal Convened Meeting through VC/ OAVM and E-Voting during the Tribunal Convened Meeting.

    c. **The voting by Unsecured Creditors through The remote E-Voting period will commence on 15th August, 2021 (9:00 am IST) and end on 17th August, 2021 (5:00 pm IST). During this period, Unsecured Creditors may cast their vote electronically.** The remote E-Voting module shall be disabled by NSDL upon expiry of the aforesaid period. Those Unsecured

Creditors, who will be present in the Tribunal Convened Meeting through VC/OAVM facility and have not cast their vote on the resolution through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system during the Tribunal Convened Meeting. Unsecured Creditors who cast their votes through remote E-Voting may attend the Tribunal Convened Meeting but shall not be entitled to cast their vote during the Tribunal Convened Meeting. Once the vote on a resolution is cast by the Unsecured Creditor, the Unsecured Creditor shall not be allowed to change it subsequently.

d. The details of the process and manner for remote E-Voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/creditors' section.

III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

IV. Your User ID details is being sent in the email along with this Notice.

V. Your password details is being sent in the email along with this Notice.

VI. If you are unable to retrieve or have not received the "Initial password" you can send a request at evoting@nsdl.co.in or at suresh.cs@moschip.com, mentioning your name, PAN and your registered address.

VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

VIII. Now, you will have to click on "Login" button.

IX. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

II. After click on Active Voting Cycles, you will be able to see the Company "EVEN" in which you are an Unsecured Creditor, who's voting cycle is in active status.

III. Select "EVEN" of the Company (EVEN : 116420)

IV. Now you are ready for e-Voting as the Voting page opens.

V. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.

VI. Upon confirmation, the message "Vote cast successfully" will be displayed.

VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

e. In case of any query/grievance with respect to remote E-Voting, Unsecured Creditors may refer to the Frequently Asked Questions (FAQs) for Shareholders and remote E-Voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior Manager/ Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022–24994360/ 022–24994545 or toll free no. 11800 1020 990 / 1800 22 44 30 or at E-mail ID: **evoting@nsdl.co.in**. Unsecured Creditors may also write to the Company Secretary at the email address: suresh.cs@moschip.com.

11. **Process for those Unsecured Creditors whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:**

a. Those Unsecured Creditors, who have not registered their email address with the Company and who wish to participate in the Tribunal Convened Meeting or cast their vote through remote E-Voting or through the E-Voting system during the Tribunal Convened Meeting, may obtain the login ID and password by sending scanned copy of:

(i) a signed request letter mentioning your name and complete address,

(ii) self-attested scanned copy of the PAN Card, and

(iii) a self-attested document supporting the address mentioned (i) above.

to the email address suresh.cs@moschip.com.

b. Alternatively, Unsecured Creditors may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in point (a) above.

12. **Instructions for Unsecured Creditors for participating in the Tribunal Convened Meeting through VC/OAVM are as under:**

a. A person, whose name appears in the Chartered Accountant's certificate certifying the list of Unsecured Creditors of the Transferor Company as on 31st January, 2021, as has been filed with the Hyderabad bench of the NCLT, only shall be entitled to avail the facility of remote e-voting or for participation at the Meeting. A person who is not an Unsecured Creditor as on the aforementioned date and whose name does not appear in the aforementioned list, should treat the Notice for information purpose only.

b. Any person who is an Unsecured Creditor, whose name appears in the Chartered Accountant's certificate certifying the list of Unsecured Creditors of the Transferor Company as on 31st January, 2021, as has been filed with the Hyderabad bench of the NCLT, will be assigned a User ID and Password which will be communicated along with the Notice being sent through e-mail at the last known e-mail address as available with the Transferor Company. Please also see details under remote e-voting instructions below regarding User ID and Password.

c. Unsecured Creditors will be able to attend the Tribunal Convened Meeting through VC/OAVM Facility through the NSDL e-Voting system at https://www.evoting.nsdl.com under shareholders/creditors login by using the User ID and Password sent to your mail by selecting the EVEN for the Tribunal Convened Meeting.

d. Unsecured Creditors will be required to use Internet with a good speed to avoid any disturbance during the meeting.

e. Please note that Unsecured Creditors connecting from mobile devices or tablets or through laptops, etc. 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.

f. Unsecured Creditors can submit questions in advance with regard to the resolutions to be placed at the Tribunal Convened Meeting, from their registered email address, mentioning their name, PAN and mobile number, to reach the Company's email address: suresh.cs@moschip.com atleast 48 hours in advance before the start of the meeting, i.e., by 18th August, 2021 by 10:00 a.m. IST. Such questions by the Unsecured Creditors shall be taken up during the meeting and replied by the Company suitably.

g. Unsecured Creditors, who would like to ask questions during the Tribunal Convened Meeting with regard to the resolutions to be placed at the Tribunal Convened Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number to reach the Company's email address: suresh.cs@moschip.com, atleast 48 hours in advance before the start of the Tribunal Convened Meeting, i.e., by 18th August, 2021 by 10:00 a.m. IST. Those Unsecured Creditors who have registered themselves as a speaker shall be allowed to ask questions during the Tribunal Convened Meeting, depending upon the availability of time. The Company/ the Chairman of the Tribunal Convened Meeting reserves the right to restrict the number of questions, time allotted and number of speakers for smooth conduct of the Tribunal Convened Meeting.

h. Queries on the businesses covered in the Notice may be sent to the Company Secretary, in advance, so that the answers may be made readily available at the Tribunal Convened Meeting.

13. **Instructions for Unsecured Creditors for e-Voting during the Tribunal Convened Meeting are as under:**

a. Unsecured Creditors may follow the same procedure for e-Voting during the Tribunal Convened Meeting as mentioned above for remote E-Voting.

b. Only those Unsecured Creditors, who will be present in the Tribunal Convened Meeting through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the Tribunal Convened Meeting.

c. The Unsecured Creditors who have cast their vote by remote E-Voting prior to the Tribunal Convened Meeting may also participate in the Tribunal Convened Meeting through VC/OAVM Facility but shall not be entitled to cast their vote again.

d. The Helpline details of the person who may be contacted by the Unsecured Creditors needing assistance with the use of technology, before or during the Tribunal Convened Meeting shall be the same persons mentioned for remote e-Voting and reproduced hereunder:

Mr. Amit Vishal, Senior Manager, NSDL, at the designated email ID: evoting@nsdl.co.in, amitv@nsdl.co.in or at telephone number +91-22-2499 4360.

Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in, pallavid@nsdl.co.in or at telephone number +91-22-2499 4545.

14. The Tribunal has appointed Mr. Venkata Krishna Reddy Sabbella, ACS as the Scrutinizer to scrutinize the voting process, both through remote E-Voting and E-Voting at the Tribunal Convened Meeting. The Scrutiniser will submit its report to the Chairperson of the Tribunal Convened Meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Company, in a fair and transparent manner. The Scrutinizers decision on the validity of the vote(s) shall be final.

15. During the Tribunal Convened Meeting, the Chairman of the Tribunal Convened Meeting shall, after response to the questions raised by the Unsecured Creditors in advance or as a speaker at the Tribunal Convened Meeting, formally propose to the Unsecured Creditors participating through VC/OAVM Facility to vote on the resolutions as set out in this Notice and announce the start of the casting of vote through the E-Voting system. After the Unsecured Creditors participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the E-Voting will be closed with the formal announcement of closure of the Tribunal Convened Meeting.

16. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.mavensystems.com and on the website of NSDL at www.evoting.nsdl.com after the declaration of Results by the Chairman of the Meeting or a person authorized by him. The results shall also be communicated to the stock exchanges, where the shares of the Company are listed.

17. Pursuant to the MCA Circulars, in view of the prevailing situation, the Notice of the Tribunal Convened Meeting, *inter alia*, indicating the process and manner of voting through electronic means along with the relevant documents, are being sent only by email to the Unsecured Creditors. Therefore, those Unsecured Creditors, whose email address is not registered with the Company and who wish to receive the Notice of the Tribunal Convened Meeting and the relevant documents and all other communication sent by the Company, from time to time, can get their email address registered by sending a scan copy of a signed request letter mentioning your name, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document supporting the registered address of the Unsecured Creditor, by email to the Company's email address: suresh.cs@moschip.com.

18. Since the Tribunal Convened Meeting will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the Tribunal Convened Meeting and admission slip is not attached to this Notice.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HYDERABAD
CA (CAA) No. 26/230/HDB/2021

FORM NO. CAA.2
[Pursuant to Section 230(3) and
Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation Rules, 2016)]

In the matter of the Companies Act, 2013;

And

In the matter of Application under Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of Maven Systems Private Limited (Transferor Company) with MosChip Technologies Limited (Transferee Company) and their respective Shareholders and Creditors.

Maven Systems Private Limited,
a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No C -5, A (P) Survey No. 1, Laxmi Chambers, Industrial Park, beside lane GVK Bio, Uppal Hyderabad Rangareddy, Telangana, 500039, India.

... Applicant Company / Transferor Company

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND DETAILS & INFORMATION AS REQUIRED UNDER RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, FOR THE MEETING OF UNSECURED CREDITORS OF MAVEN SYSTEMS PRIVATE LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH.

Pursuant to the Order dated July 07, 2021, passed by Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad in Company Application No. CA (CAA) NO. 26/230/HDB/2021, a meeting of the Unsecured creditors of the Transferor Company is scheduled to be held on Wednesday, August 18, 2021 at 10.00 a.m. to obtain their approval to the Scheme of Amalgamation of Maven Systems Private Limited (Transferor Company) with MosChip Technologies Limited (Transferee Company) and their respective shareholders and Creditors ('Scheme' or 'the Scheme').

1. Pursuant to the Order passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench (the "NCLT") in the Company Application CA (CAA) NO. 26/230/HDB/2021 dated July 07, 2021 ("Order") a meeting of the Unsecured Creditors of Maven Systems Private Limited (hereinafter referred to as the "Transferor Company"), is being convened and on Wednesday, August 18, 2021 at 10.00 a.m through video conferencing or other audio visual means (VC/OAVM) for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation of Maven Systems Private Limited (Transferor Company) with MosChip Technologies Limited (Transferee Company) and their respective shareholders and creditors ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued there under.

2. In terms of the said Order, NCLT has appointed undersigned as the Chairman and Mr. Krishna Reddy Sabbella, ACS, as a scrutinizer of the said meeting of Unsecured Creditors of Transferor Company.

3. In addition to the meeting of the Unsecured Creditors of the Transferor Company convened on the directions of the National Company Law Tribunal, to seek the approval of the said Shareholders pursuant to Section 230 read with Section 232 of the Companies Act, 2013 further read with other relevant provisions of the Companies Act, 2013, approval of the Unsecured creditors of the Transferor Company is sought by way of remote e-voting as required under the Companies Act, 2013.

4. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the “Rules”).

5. The Board of Directors of Maven Systems Private Limited at their meeting held on January 25, 2021 have approved the Scheme of Amalgamation, while the Board of Directors of MosChip Technologies Limited in their meeting held on January 25, 2021 have approved the scheme of amalgamation under which the entire undertaking of Maven Systems Private Limited will get amalgamated with MosChip Technologies Limited. A copy of the Scheme, setting out the terms and conditions of the amalgamation as approved by the Board of Directors of Maven Systems Private Limited (Transferor Company) and MosChip Technologies Limited (Transferee Company) is enclosed herewith as **Annexure 1**. The proposed scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).

6. **Background of the Companies:**

A. Maven Systems Private Limited.

i) **Maven Systems Private Limited (“Maven” or “Transferor Company”)** was incorporated as a private limited Company on 21st October, 2009 under the Companies Act, 1956 and having its registered office at Plot No C -5, A (P) Survey No. 1, Laxmi Chambers, Industrial Park, beside lane GVK Bio, Uppal Hyderabad Rangareddy, Telangana - 50003. The CIN of the Company is U72900TG2009PTC146864.The Permanent Account Number (PAN) of the Company is AAGCM2256F.The e-mail id is suresh.cs@moschip.com. The Transferor Company is a 100 % wholly owned subsidiary of the Transferee Company.

ii) The objects for which Maven has been established are set out in its memorandum of association. The main objects of Maven include:

“III.A) The Main Objects to be pursued by the company on its incorporation are:

1. To provide design services in embedded systems, solutions and software by designing thehardware, developing the software and integrating the same.

Clause III.(B).(14) of the memorandum of association of Maven permits Maven:

14. “To amalgamate or takeover any other business, firm, Company having objects similar to those of the Company whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking subject to the liabilities with or without winding up or by sale or purchase (for fully or partly-paid up Shares or otherwise) of all of a controlling interest.”

iii) There has been no change in the main objects in the Memorandum of Association of Maven Systems Private Limited during the last 5 years. A copy of the Memorandum of Association is available for inspection at the registered office as mentioned in Point No. 22 of this statement.

iv) Maven is, inter alia, engaged in the business of Semiconductor, IoT products and services.

v) The authorised, issued, subscribed and paid-up share capital of Maven as on March 31, 2021 is as under:

Particulars	Amount (₹)
Authorised Capital	
10,000 Equity Shares of ₹10/- each.	100,000
Total (Authorised Capital)	**100,000**
Issued, Subscribed and Paid-up capital	
10,000 Equity shares of Rs.10/- each fully paid up	100,000
Total (Issued, Subscribed and Paid-up Capital)	**100,000**

There has been no change in the authorised, issued, subscribed and paid-up share capital of Maven Systems Private Limited *(Transferor Company)* from 31.03.2021 till date.

vi) There has been no change in the name during the last 5 years. On 15.12.2020, the registered office of Maven has been shifted from "Galore Tech, Survey No. 22, Hissa No.1/2+2/1+3/1+4/1/1, Bavdhan Khurd, Pune, Maharashtra-411021" to "Plot No C -5, A (P) Survey No. 1, Laxmi Chambers, Industrial Park, beside lane GVK Bio, Uppal Hyderabad Rangareddy, Telangana - 50003".

vii) The equity shares of Maven are not listed on any stock exchange.

viii) The Board of Directors of Maven had at their meeting held on January 25, 2021 unanimously approved the Scheme. The Directors who voted in favour of / against / did not participate or vote in relation to the Scheme are as follows:

Sl. No.	Name of Director	Voted in favour / against / did not participate or vote
1.	Mr. Venkata Sudhakar Simhadri	Voted in favour
2.	Mr. K. Pradeep Chandra	Voted in favour
3.	Mr. Jayram Susarla	Voted in favour
4.	Mr. Suresh Mudhunuri	Voted in favour
5.	Mr. Suresh Bachalakura	Voted in favour

ix) The names of the Promoters and the present directors of Maven along with their addresses are as follows:

Sl. No.	Name	Address
Promoters Group Entity(ies).		
1.	MosChip Technologies Limited	7th Floor, My Home Twitza, Plot Nos's – 30/A, Survey no. 83/1,TSIIC Hyderabad Knowledge City, Raidurg, Panmaktha, Rangareddy, Telangana – 500081.
Promoter Group Individual(s) – NIL		
Directors		
1.	Mr. Venkata Sudhakar Simhadri	19878, Seagull way, Saratoga, CA 95070, USA.
2.	Mr. K. Pradeep Chandra	8-2-541/A, Road No. 7, Opp. Meridian School, Banjara Hills, Hyderabad, Telangana – 500034.
3.	Mr. Suresh Mudhunuri	02-133/4/2, Plot No. 13, 14, Flat No. 103, Vijaya Residency, Spring Field Colony, Jeedimetla Village, Quthbullapur, Ranga Reddy – 500 055, Telangana
4.	Mr. Jayaram Susarla	D. No. 2-65/AWS/1408, Aparna Westside, Flat No. 1408, Sai Aishwarya Layout, Lanco Hills Road, Khajaguda, K. V. Rangareddy, Telangana – 500104
5.	Mr. Suresh Bachalakura	#5-66, Flat No.103, 02nd Floor, Sai Balaji Nilayam, Beside Oora Pochamma Temple, H S Darga, Shaikpet, Hyderabad – 500 008 , Telangana

B. MosChip Technologies Limited

i) **MosChip Technologies Limited** (**"MosChip"** / ***"Transferee Company***"), was originally incorporated on 27/07/1999 under the Companies Act, 1956, under the name **"NetMos Technology India Private Limited"** as a private company limited by shares, with the Registrar of Companies, Andhra Pradesh, Hyderabad. It was converted from private company to public company under section 44 of the Companies Act, 1956, under the name **"MosChip Semiconductor Technology Limited",** further the name of the Company has changed to **"MosChip Technologies Limited"** certificate of Incorporation consequent on Change of Name was issued by the Registrar of Companies, Hyderabad, on 05/03/2019. The CIN of MosChip Technologies Limited is L31909TG1999PLC032184. The Permanent Account Number (PAN) of MosChip Technologies Limited is AACCM3938L.

ii) The Registered Office of MosChip is situated at 7th Floor, My Home Twitza, Plot Nos's – 30/A, Survey no. 83/1, TSIIC Hyderabad Knowledge City, Raidurg, Panmaktha, Rangareddy–500081 in the State of Telangana.

iii) The e-mail id of MosChip is investorrelations@moschip.com.

iv) The objects for which MosChip has been established are set out in its memorandum of association. The main objects of MosChip include:

"III.A) The Main Objects to be pursued by the company on its incorporation are:

1. *To carry on the business of and to render consultancy, training and professional services in the area of Information technology and software development, to develop programmes and systems, to undertake turnkey software projects and operation research to offer complete hardware and software solutions and technical services and to subject the same to commercial exploitation, export, import, and to act as dealers and authorised representatives of the same.*
2. *To carry out researches, investigations and experimental work of every description in relation to the electrical, electronic and telecommunication industry, to act as consultants and advisers, or provide consultation services, in all aspects of automation, including computerization or any others, to Government, statutory or semi-government organization, business, commerce and industry, or any other organization of whatever nature, in all their branches, activities, operations or projects.*
3. *To undertake the designing, development and programming of systems and application software either for its own use or for sale in India or abroad and to design and develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems and analogue / digital / electronic / optical / laser / photographic equipment and to provide design services of ASIC, Embedded Technologies, Design automation including architecture development, RTL development synthesis, Mixed signal design, Technology Migration Retargeting, Logic design, Logic verification, Circuit design, Physical design, Gate Array / standard cell implementations Physical verifications, Hardware design, ATM, Embedded operating systems, Device Drives, DSP Hardware network protocols, Routing, Frame relays, High speed Bus design, Network management and EDA methodologies, Custom tool and CUI development, Tool customization, Frame works, Data and code conversions in India or elsewhere in the world and to buy, sell, import and export, deal, convert and exploit the same on commercial lines or otherwise in respect of the same.*
4. *To carry on the business of and to provide application and development in the area of Internet and e-commerce and to offer web-based solutions, to publish multimedia websites for companies, corporations, institutions and to create design services for web site, internet business solutions, intranet, extranet, and other information over internet.*
5. *To set up and run electronic data processing centers and to carry on the business of data processing, word processing, software development, programming and consultancy, system studies, management consultancy, techno-economic feasibility studies of project, design and development of management information systems, technical analysis of data, data storage and retrieval services and services of all kinds*

and description in connection with commerce, finance, accounts, medicine, engineering, communication and other technological fields.

6. *To carry on the business of manufacturers, developers, buyers, sellers, importers, exporters, agents, job-workers, assemblers and dealers of Metal Oxide Semiconductor Chips, Chips of Integrated Circuit nature and all types of computer and communication systems including microcomputers, macro computers, workstations, software and hardware of all descriptions, peripherals and accessories, parts and consumables including mother boards. VDUs, LCDs and such other products or things which may be considered either as an integral part of a computer system or as an optional attachment or supplement thereto and to undertake turnkey projects and operations, research, to offer complete solutions and technical services including data transmission, date processing devices whether present or future and to subject the same to commercial exploitation either for its own use or for sale in India or elsewhere in the world and to execute and install thereof the same whether by the company or on behalf of manufactures, owners and users.*

Clause III.(B).(12) of the memorandum of association of MosChip permits MosChip:

12)*"To amalgamate with any company or companies having objects altogether or in part similar to those of this company.*"

v) There has been no change in the main objects in the Memorandum of Association of MosChip Technologies Limited during the last 5 years. A copy of the Memorandum of Association is available for inspection at the registered office as mentioned in Point No. 22 of this statement.

vi) MosChip is, *inter alia*, engaged in the business of Semiconductor, Systems and IoT services.

vii) The authorised, issued, subscribed and paid-up share capital of MosChip as on March 31, 2021 is as under:

Particulars	Amount (₹)
Authorised Capital	
28,27,05,000Equity Shares of ₹ 2/- each.	**56,54,10,000**
Total (Authorised Capital)	**56,54,10,000**
Issued, Subscribed and Paid-up capital	
15,79,91,402Equity Shares of ₹2/- each.	**31,59,82,804**
Total (Issued, Subscribed and Paid-up Capital)	**31,59,82,804**

The issued, subscribed, and paid-up share capital of MosChip (Transferee Company) has increased to Rs. 31,61,36,804 (15,80,68,402 Equity shares) w.e.f 25th May 2021.

viii) The name of the Company has been changed to "MosChip Technologies Limited" from "MosChip Semiconductor Technology Limited". the registered office of MosChip has been shifted from "Plot No. 83 & 84, 02nd Floor, Punnaiah Plaza, Road No. 02, Banjara Hills, Hyderabad, Telangana - 500034" to "7thFloor, My Home Twitza, Plot Nos's – 30/A, Survey no. 83/1, TSIIC Hyderabad Knowledge City, Raidurg, Panmaktha, Rangareddy– 500081,Telangana"w.e.f 01st April 2021.

ix) The equity shares of MosChip are listed on BSE Limited.

x) The Board of Directors of MosChip have at their meeting held on January 25, 2021 unanimously approved the Scheme. The Directors who voted in favour of / against / did not participate or vote in relation to the Scheme are as follows:

Sl. No.	Name of Director	Voted in favour / against / did not participate or vote
1.	Mr. K. Pradeep Chandra	Voted in favour
2.	Mr. K. Ramachandra Reddy	Voted in favour
3.	Mr. D.G. Prasad	Voted in favour
4.	Mr. Raja Praturi	Was absent and hence did not participate in the meeting

5.	Mr. Damodar Rao Gummadapu	Voted in favour
6.	Mrs. Madhurika Nalluri Venkat	Voted in favour
7.	Venkata Sudhakar Simhadri	Voted in favour

xi) The names of the Promoters and the present directors of MosChip along with their addresses are as follows:

Sl. No.	Name	Address
Promoters		
1.	K. Ramachandra Reddy	Plot No. 828, Road No. 42, Near Peddamma Temple, Jubilee Hills, Hyderabad, Telangana – 500033.
2.	Damodar Rao Gummadapu	Pl No 15 Bhavyas Alluri Meadows, White Fields, Kondapur Hyderabad, Telangana –500084
3.	K. Pratibha Reddy	Plot No. 828, Road No. 42, Near Peddamma Temple, Jubilee Hills, Hyderabad, Telangana – 500033.
4.	C Dayakar Reddy	Plot 686, Road No 33, Jubilee Hills, Shaikpet, Hyderabad, Telangana – 500033.
5.	C Surekha Reddy	Plot 686, Road No 33, Jubilee Hills, Shaikpet, Hyderabad, Telangana – 500033.
6.	Vinay D Kumar	53 Whisper Valley, H S Darga, Golconda Post, Hyderabad, Telangana – 500008.
7.	C Rama Reddy	45 ICRISAT Colony, Phase-1, Brig Sayeed Rd,Tadbund, Secunderabad, Telangana – 500009.
8.	Joseph K. Wai	24940, Oneonta DR,Los Altos, California - 94022,USA.
9.	Eddie Sin Po Chiu	Block M, 07th floor, Scenic Villas,Scenic Villa Drive,Pokfulam, Hong Kong, China
10.	Gary Kennedy	15155, Alondra Lane,Saratoga, California 95070,USA.
11.	Art Khachaturian	5911, Fleet Street,San Jose, USA.
12.	Steve Shu Fun Kam	28001 Arastradero Road,Los Altos Hills, California 94022, USA.
13.	Sean Paul Carney	905, Wailea DR,MenloPark,California 94025, USA
Promoter Group Individual(s) / Entity(ies)		
14.	Oshin Global Pte Ltd	1 Scotts Road, No 21-07 Shaw Centre, Singapore 228208 Singapore, 111111.
15.	Eiji Holdings Pte Ltd	60 Tessensohn Road, No 02-01a Club Csc @ Tessensohn Singapore, Singapore, 217664.
Directors		
1.	Mr. K. Pradeep Chandra	8-2-541/A, Road No. 7, Opp. Meridian School, Banjara Hills, Hyderabad, Telangana – 500034.
2.	Mr. Venkata Sudhakar Simhadri	19878, Seagull way, Saratoga, CA 95070, USA.
3.	Mr. K. Ramachandra Reddy	Plot No. 828, Road No. 42, Near Peddamma Temple, Jubilee Hills, Hyderabad, Telangana – 500033.
4.	Mr. D. G. Prasad	8-3-222/C/1/19, A-8, Madhura Nagar, Ameerpet, Hyderabad, Telangana – 500038.
5.	Mr. Raja Praturi	Villa No - 276, Indu Fortune Fields, KPHB Colony, Phase - 13, Kukatpally, Hyderabad, Telangana - 500072.
6.	Mr. Damodar Rao Gummadapu	Pl No 15 Bhavyas Alluri Meadows, White Fields, Kondapur Hyderabad, 500084
7.	Mrs. Madhurika Nalluri Venkat	H.NO. 10-3-56/1/401, Flat No 401, Rangas Fort, East Marredpally, Hyderabad – 500026.
8.	Mr. J. A. Chowdary	B-41, Hill Ridge Villas, ISB Road, Gachibowli, Hyderabad, Telangana – 500032.

7.Relationship among the Companies who are parties to the Scheme:

Maven Systems Private limited (Transferor)is a 100 % wholly owned subsidiary of MosChip Technologies Limited (Transferee).

8. Rationale / Benefits of the Scheme:

a) The following are rationale and benefits of the Scheme:

1) The Transferor Company is a wholly owned subsidiary Company of the Transferee Company and engaged in the similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company be amalgamated with the Transferee Company.

2) The independent operations of the Transferor Company and the Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, there by leading to more efficient utilization of capital and creation of a consolidated base for the future growth of the Transferee Company.

3) The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Company and the Transferee Company.

4) The synergies created by the scheme of arrangement would increase operational efficiency and integrate business functions.

5) This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective Companies in the manner provided for in the Scheme.

6) The other benefits of the proposed amalgamation include:

(a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
(b) Enhancement of competitive strengths including financial resources;
(c) Obtaining synergy benefits;
(d) Better management and focus on growing the businesses.

9. Salient features of the Scheme:

i. This Scheme is between Maven Systems Private Limited and MosChip Technologies Limited and their respective shareholders and Creditors under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

ii. Maven Systems Private Limited and MosChip Technologies Limited shall, as may be required, make petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act read with applicable rules made thereunder, to the National

Company Law Tribunal, Hyderabad, for sanction of the Scheme and all matters ancillary or incidental thereto.

iii. "Appointed Date" means the 1st day of April, 2021.

iv. "Effective Date" means the date or last of the dates on which the certified copy of the order of the Tribunal sanctioning the Scheme is filed with the Registrar of Companies, Hyderabad, Telangana by the Transferor and Transferee Companies.

v. Pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the undertakings of Maven Systems Private Limited (Transferor Company) being transferred to and vested in Transferee Company (MosChip Technologies Limited), the Transferor Company is a 100 % wholly owned subsidiary of the Transferee Company, there is no allotment of any shares in Transferee Company.

vi. The Scheme is conditional upon and subject to the following:

- Approval of the Scheme by requisite majority of shareholders and creditors of MosChip Technologies Limited and such classes of persons of the said Companies, if any, as applicable or as may be required under the Act and / or as may be directed by the Tribunal;
- Compliance with the other provisions of the SEBI Circular, including seeking approval of the shareholders of MosChip Technologies Limited through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders of MosChip Technologies Limited are more than the votes cast by the public shareholders against it as required by the SEBI Circular.
- The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act; and
- Certified or authenticated copy of the final Order of the NCLT, sanctioning this Scheme under the provisions of Sections 230 to 232 of the Act, being filed with the Registrar of Companies by the Transferor Company and the transferee Company.

vii. The Scheme, inter-alia, provides for the following matters:

- Transfer and vesting of the whole of the Undertaking of Maven Systems Private Limited (Transferor Company) comprising its business, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, with MosChip Technologies Limited (Transferee Company) on a going concern basis as expressed in Para3 of Part III of the Scheme;
- Transfer of all legal proceedings by or against Maven Systems Private Limited and as on the Appointed Date, to the name of the Transferee Company and the same shall be continued and enforced by or against MosChip Technologies Limited (Transferee Company), to the exclusion of the Transferor Company as expressed in Para5.1 of Part III of the Scheme;
- Transfer of all contracts, deeds, bonds, agreements, and other instruments of whatsoever nature to which Maven Systems Private Limited (Transferor Company) is a party, to MosChip Technologies Limited (Transferee Company) as expressed in Para 6.1 of Part III of the Scheme;
- The executives, staff, workers and other employees in the service of Maven Systems Private Limited (Transferor Company) shall become the executives, staff, workers and other employees of MosChip Technologies Limited *(Transferee Company)* as expressed in Para 7.1 of Part III of the Scheme;
- Change of Authorised Capital Clause of MosChip Technologies Limited (Transferee Company) as expressed in Para 11.2 of Part IV of the Scheme;
- The dissolution without winding up of the Maven Systems Private Limited, as expressed in Para 14 of Part V of the Scheme.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS OF THE TRANSFEROR COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

1. The proposed Scheme was placed before the Audit Committee of MosChip Technologies Limited at its meeting held on January 25, 2021. The Audit Committee recommended the Scheme to the Board of Directors of MosChip Technologies Limited.

2. **Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**

   a. Further, it is confirmed that the copy of the NCLT Order sanctioning the Draft Scheme shall be filed with the Registrar of Companies, Hyderabad by MosChip Technologies Limited and Maven Systems Private Limited.

   b. In compliance with the requirement of Section 230 (5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

12. Amounts due to Unsecured Creditors as on January 31, 2021

Particulars of amounts due to Unsecured Creditors from respective Companies involved in the Scheme as at January 31, 2021 are detailed herein:

Name of Company	Amount (in Rs.)
MosChip Technologies Limited	545,280,927
Maven Systems Private Limited	360,580,573

13. Amounts due to Secured Creditors as on January 31, 2021

Particulars of amounts due to Secured Creditors from respective Companies involved in the Scheme as at January 31, 2021 are detailed herein:

Name of Company	Amount (in Rs.)
MosChip Technologies Limited	15,15,797
Maven Systems Private Limited	Nil

14. Capital Structure Pre and Post Scheme:

Pre-Scheme shareholding pattern of MosChip Technologies Limited and Maven Systems Private Limited as on March 31, 2021 and the Post Scheme (expected) shareholding pattern of MosChip Technologies Limited and Maven Systems Private Limited is as under:

<u>A) Pre-Scheme shareholding pattern of MosChip Technologies Limited is as under:</u>

Sl. No.	Description	Name of Shareholder	Transferee Company MosChip Technologies Limited - Equity Shares Pre-Scheme	
			No. of shares	%
(A)	**Shareholding of Promoter and Promoter Group**			
1.	**Indian**			
(a)	Individuals / Hindu Undivided Family	C. Rama Reddy	4,000	0.00
		K. Ramachandra Reddy	74,98,592	4.75
		K. Pratibha Reddy	398	0.00
		C. Dayakar Reddy	2,19,761	0.15

		C. Surekha Reddy	5,30,001	0.36
		Damodar Rao Gummadapu	2,04,000	0.14
(b)	Central Government/ State Government(s)		-	-
(c)	Bodies Corporate		-	-
(d)	Financial Institutions / Banks		-	-
(e)	Any Others			
	Sub Total(A)(1)		**84,56,752**	**5.35**
2.	**Foreign**			
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	Joseph K Wai	-	-
		Vinay D Kumar	1,05,623	0.07
		Eddie Sin Po Chiu	1,000	0.00
		Garry Kennedy	-	-
		Steve Shu Fun Kam	44,400	0.03
		Sean Paul Carney	-	-
		Art Khachaturian	6,39,497	0.40
(b)	Bodies Corporate	Oshin Global Pte Ltd	8,15,31,739	55.37
		Eiji Holdings Pte Ltd	1,96,000	0.13
(c)	Institutions		-	-
(d)	Any Others		-	-
	Sub Total(A)(2)		**8,25,18,259**	**52.23**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**9,09,75,011**	**57.58**
(B)	**Public shareholding**			
1.	**Institutions**			
(a)	Mutual Funds/ UTI		-	-
(b)	Financial Institutions / Banks		2,185	0.00
	Sub-Total (B)(1)		2,185	0.00
2.	**Central Government / State Government(s)**		-	-
(d)	Venture Capital Funds		-	-
(e)	Insurance Companies		-	-
(f)	Foreign Institutional Investors		-	-
(g)	Foreign Venture Capital Investors		-	-
(h)	Any Other		-	-
	Sub-Total (B)(2)		**-**	**-**
3.	**Non-institutions**			
(a)	Bodies Corporate		43,14,253	2.73
(b)	Individuals	(i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2,50,49,462	15.85
		(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	2,40,56,446	15.23
(c)	Any Other	(i) NBFCs Registered with RBI	-	-
		(ii) Trusts	-	-
		(iii) Foreign Nationals	82,23,643	5.21
		(iv) Hindu Undivided Family	-	-
		(v) Non Resident Indians	9,08,006	0.57
		(vi) Overseas Corporate bodies	41,19,660	2.61

		(vii) Unclaimed Shares	-	-
		(viii) Clearing Members	1,45,266	0.09
	Sub-Total (B)(3)		**6,68,16,736**	**42.29**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)**		**6,68,18,921**	**42.29**
	TOTAL (A)+(B)		**15,77,93,932**	**99.88**
(C)	**i) Shares held by Custodians and against which DRs have been issued** **ii) Employee benefit trust under SEBI (Share based Employee benefit) Regulations, 2014**		1,97,497	0.12
	TOTAL (C)		**-**	**-**
	GRAND TOTAL (A)+(B)+(C)		**15,79,91,402**	**100.00**

<u>Post-Scheme (Expected)</u>:

Maven Systems Private Limited is a 100% wholly owned subsidiary of MosChip Technologies Limited, hence subsequent to the approval of the Scheme there is no fresh shares were issued in MosChip Technologies Limited. There is no change in shareholding pattern of MosChip Technologies Limited post the approval of the Scheme.

<u>Pre-Scheme and Post-Scheme shareholding pattern of Maven Systems Private Limited is as under:</u>

Sr	Description	Name of Shareholder	Pre-Scheme	
			No. of shares	**%**
(A)	**Shareholding of Promoter and Promoter Group**			
1	**Indian**			
	Individuals/ Hindu Undivided Family	**Name of the Promoters**		
(b)	Central Government/ State Government(s)			
(c)	Bodies Corporate	MosChip Technologies Limited	10,000	100
(d)	Financial Institutions/ Banks			
(e)	Any Others			
	Sub Total(A)(1)		**10,000**	**100**
2	**Foreign**			
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-
(d)	Any Others	-	-	-
	Sub Total(A)(2)	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**-**	**10,000**	**100**
(B)	**Public shareholding**			
1	**Institutions**			
(a)	Mutual Funds/ UTI	-	-	-

(b)	Financial Institutions / Banks	-	-	-
(c)	Central Government/ State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other	-	-	-
	Sub-Total (B)(1)	-	-	-
2	**Non-institutions**			
(a)	Bodies Corporate	-	-	-
(b)	Individuals	-	-	-
I	Individuals i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	-	-
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-	-
(c)	Any Other	-	-	-
	Sub-Total (B)(2)			
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	-	-	-
	TOTAL (A)+(B)	**-**	**10,000**	**100**
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**-**	**10,0000**	**100**

Post-Scheme (Expected):

Maven Systems Private Limited, being the Transferor Company, Post Scheme Shareholding Pattern shall not be applicable to the Transferor Company.

15. Effect of the Scheme on various parties:

i. Directors and Key Managerial Personnel (KMP)

The Directors and KMP and their respective relatives of MosChip Technologies Limited and Maven Systems Private Limited may be deemed to be concerned / interested in the Scheme only to the extent of their shareholding in MosChip Technologies Limited and Maven Systems Private Limited or to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in MosChip Technologies Limited / Maven Systems Private Limited, if any. Save as aforesaid, none of the Directors / KMP of

MosChip Technologies Limited and Maven Systems Private Limited have any material interest in the Scheme.

Shareholding of Directors and Key Managerial Personnel of MosChip Technologies Limited:

Name of the Directors and Key Managerial Personnel	Equity Shares held in	
	MosChip Technologies Limited	Maven Systems Private Limited
Mr. K. Pradeep Chandra	-	-
Mr. Venkata Sudhakar Simhadri	68,52,376	-
Mr. K. Ramachandra Reddy	74,98,592	-
Mr. Raja Praturi	-	-
Mrs. Madhurika Nalluri Venkat	-	-
Mr. D. G. Prasad	-	-
Mr. Damodar Rao Gummadapu	2,04,000	-
Mr. J. A. Chowdary	-	-
Mr. Jayaram Susarla (CFO)	27,279	-
Mr. Suresh Bachalakura (Company Secretary)	-	-

Shareholding of Directors and Key Managerial Personnel of Maven Systems Private Limited:

Name of the Directors and Key Managerial Personnel	Equity Shares held in	
	MosChip Technologies Limited	Maven Systems Private Limited
Mr. Venkata Sudhakar Simhadri	68,52,376	-
Mr. K. Pradeep Chandra	-	-
Mr. Jayaram Susarla	27,279	-
Mr. Suresh Mudhunuri	12,704	
Mr. Suresh Bachalakura	-	-

ii. Promoter and Non-Promoter Members

Maven Systems Private Limited is a 100 % wholly subsidiary of MosChip Technologies Limited, since the entire capital of Maven is owned by MosChip there were no fresh shares will be allotted by MosChip pursuant to the approval of this Scheme.

Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of MosChip in the Scheme will not be prejudicially affected by the Scheme.

iii. Depositors

As on date, MosChip Technologies Limited and Maven Systems Private Limited do not have any depositors, therefore, the effect of the Scheme on any depositors does not arise.

iv. Creditors

Under the Scheme, there is no arrangement with the creditors of Maven. Pursuant to the Scheme, the creditors of Maven will become the creditors of MosChip. No compromise is offered under the Scheme to any of the creditors of Maven. The liability towards the creditors of Maven is neither reduced nor extinguished and consequently, the creditors of Maven will not be affected in any manner by the Scheme.

v. Debenture holders

As on date, MosChip Technologies Limited and Maven Systems Private Limited do not have any debenture holders, therefore, the effect of the Scheme on debenture holders does not arise.

vi. Deposit trustee and debenture trustee

As on date, MosChip Technologies Limited and Maven Systems Private Limited do not have any deposit trustee or debenture trustee, therefore, the effect of the Scheme on deposit trustee and debenture trustee does not arise.

vii. Employees

The employees of the Maven Systems Private Limited *(Transferor Company)* shall become the employees of the MosChip Technologies Limited *(Transferee Company)* as expressed in Para 7.1 of Part **III** of the Scheme. Hence, the rights and interests of the employees of the Companies involved in the Scheme will not be prejudicially affected by the Scheme.

16. Effect of the Scheme on material interest of Directors, KMP& Debenture Trustee

None of the Directors and Key Managerial Personnel of MosChip Technologies Limited and Maven Systems Private Limited respectively have any material personal interest in the Scheme, save to the extent of shares held by the Directors / KMP in MosChip Technologies Limited, if any.

As on date, MosChip Technologies Limited and Maven Systems Private Limited do not have any debenture trustee, therefore, the effect of the Scheme on debenture trustee does not arise.

17. No investigation or proceedings under the Companies Act, 1956 and /or Companies Act, 2013 have been instituted or are pending in relation to the MosChip Technologies Limited and Maven Systems Private Limited.

18. There is no winding up proceedings pending against MosChip Technologies Limited and Maven Systems Private Limited as of date.

19. MosChip Technologies Limited and Maven Systems Private Limited have made a joint application before the Hyderabad Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 of the Companies Act, 2013.

20. In compliance with the provisions of Section 232 (2) of the Companies Act, 2013, the Board of Directors of MosChip Technologies Limited, at its meeting held on January 25, 2021, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Transferee Company is enclosed to this Explanatory Statement as **Annexure 2**

21. It is confirmed that the copy of the Scheme, as approved by Board, has been filed with the Registrar of Companies, Hyderabad by the Transferee Company and Transferor Company as the case may be.

22. Following documents will be available for inspection by the shareholders of the Transferor Company at its registered office between 10:30 a.m. to 12:30 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to the date of the meeting namely:

a. Latest Audited Financial Statements (including Consolidated Financial Statements, as applicable) of MosChip Technologies Limited and Maven Systems Private Limited for the year ended March 31, 2021;
b. Copy of Memorandum of Association and Articles of Association of MosChip Technologies Limited and Maven Systems Private Limited;
c. Copies of the orders of National Company Law Tribunal, Hyderabad Bench dated July 07, 2021 in pursuance of which the meeting is to be convened;
d. Copy of the Scheme of Amalgamation;
e. contracts or agreements material to the Scheme of Arrangement;
f. Certificate issued by the Auditors of MosChip Technologies Limited and Maven Systems Private Limited to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
g. Copies of the resolutions passed by the respective Board of Directors of MosChip Technologies Limited and Maven Systems Private Limited;
h. Report adopted by the Board of Directors of MosChip Technologies Limited and Maven Systems Private Limited at their respective meetings held on January 25, 2021 pursuant to the provisions of Section 232 (2) (c) of the Companies Act, 2013;
i. Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Section 102, Section 108 and other applicable provisions of the Companies Act, 2013.

Rajeev Ratna
Advocate
Chairman - Tribunal Convened
Meeting of Unsecured creditors of
MAVEN SYSTEMS PRIVATE LIMITED

Dated this July 16, 2021
Place: Hyderabad

Address:
Block No:L, Flat No:3,
MCH Colony, Jiyaguda,
Hyderabad-500006

MAVEN SYSTEMS PRIVATE LIMITED
CIN: U72900TG2009PTC146864

Registered Office:

Plot No C -5, A (P) Survey No. 1, Laxmi Chambers,
Industrial Park, beside lane GVK Bio,
Uppal Hyderabad Rangareddy, Telangana, 500039, India.

SCHEME OF AMALGAMATION

BETWEEN

MAVEN SYSTEMS PRIVATE LIMITED
(Transferor Company)

AND

MOSCHIP TECHNOLOGIES LIMITED
(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

A. An overview of Scheme of Arrangement

This Scheme of amalgamation of Maven Systems Private Limited (hereinafter referred to as "Maven" or "Transferor Company" with "MosChip Technologies Limited" (hereinafter refer to as "MosChip" or "Transferee Company") and their respective shareholders and creditors(hereinafter refer to as "the Scheme" or "this Scheme") is presented *inter-alia* under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act").

The Transferor Company is a wholly owned subsidiary Company of the Transferee Company. It is proposed that the Transferor Company be amalgamated with the Transferee Company, followed by the dissolution without winding up of the Transferor Company and the consequent cancellation of equity shares held by the Transferee Company and its Nominees in the Transferor Company pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013.

In addition, this Scheme of Arrangement also provides for various matter consequential or otherwise integrally connected herewith.

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B. Background and Description of Companies

1) **Maven Systems Private Limited ("Maven" or "Transferor Company")** is a wholly owned subsidiary of the Transferee Company, it was incorporated as a private limited Company on 21st October 2009 under the Companies Act, 1956 and having its registered office at Plot No C -5, A (P), Laxmi Chambers, Survey No. 1, beside lane GVK Bio, Industrial Park , Uppal, Hyderabad - 500039. The CIN of the Company is U72900TG2009PTC146864.

   The main objects of the Transferor Company are set out in Clause III of Memorandum of Association.

2) **MosChip Technologies Limited (formerly known as MosChip Semiconductor Technology Limited) ("MosChip" or "Transferee Company")** is a Listed Public Limited Company incorporated on July 27, 1999 under the Companies Act, 1956 and having its registered office at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034. The CIN of the Company is L31909TG1999PLC032184. The equity shares of the Transferee Company are listed on BSE Limited (Scrip ID: MOSCHIP, Security Code: 532407).

   The main objects of the Transferee Company are set out in Clause III of Memorandum of Association.

C. OBJECTS AND RATIONALE FOR THE SCHEME

1) The Transferor Company is a wholly owned subsidiary Company of the Transferee Company and engaged in the similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company be amalgamated with the Transferee Company.

2) The independent operations of the Transferor Company and the Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, there by leading to more

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efficient utilization of capital and creation of a consolidated base for the future growth of the Transferee Company.

3) The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Company and the Transferee Company.

4) The synergies created by the scheme of arrangement would increase operational efficiency and integrate business functions.

5) This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective Companies in the manner provided for in the Scheme.

6) The other benefits of the proposed amalgamation include:

   (a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
   (b) Enhancement of competitive strengths including financial resources;
   (c) Obtaining synergy benefits;
   (d) Better management and focus on growing the businesses.

7) In view of the above, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in accordance with this Scheme, pursuant to Sections 230 to 232 of the Companies Act, 2013 read with applicable Rules.

D) PARTS OF THE SCHEME:

This scheme of Amalgamation is divided into following parts

(i) Part I, which contains the definitions;

(ii) Part II, which deals with the Share Capital of the Transferee Company and the Transferor Company;

(iii) Part III, which deals with Amalgamation, Transfer and vesting of undertakings of the Transferor Company with the Transferee Company;

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(iv) Part IV, which deals with Accounting Treatment adopted for the Scheme;

(V) Part V, this part of scheme contains other provisions and conditions applicable to the scheme.

E) The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(IB) and Section 47 thereof.

PART I

General Provisions

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings:

1.1 "**Act**" **or** "**the Act**" means the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force.

1.2 "**Appointed Date**" means the date from which this Scheme shall become operative viz., 1st April, 2021 (**First day of April, Two Thousand and Twenty One**) or such other date(s) as may be approved by the NCLT or any other competent authority having jurisdiction to sanction the Scheme.

1.3 "**Board**" **or** "**Board of Directors**" means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a Committee of Directors, if any constituted or appointed and authorized to take any decision for the implementation of this scheme on behalf of such Board of Directors.

1.4 "**BSE**" shall mean BSE Limited.

1.5 "**Bench**" means the Hon'ble National Company Law Tribunal (NCLT) Bench of Hyderabad or such other authority empowered to sanction the Scheme as per the provisions of the Act.

1.6 "**Effective Date**" means the last of the dates on which the certified or authenticated copies of the order of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme "or "effectiveness of this Scheme "or "Scheme taking effect" shall mean the Effective Date;

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Any reference in this Scheme to the words "*upon the scheme becoming effective*" or "*effectiveness of this Scheme*" or "*date of coming into effect of the Scheme*" or "*Scheme coming into effect*" shall mean the Effective Date.

1.7 "**Equity Share(s)**" means the equity shares of the Transferor Company or the Transferee Company, as the case may be.

1.8 "**IT Act**" means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.

1.9 **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, Official Liquidator and National Company Law Tribunal;

1.10 "**Law**" **or** "**Applicable Law**" includes all applicable statures, enactments, acts of legislature or Parliament, Laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory Authority, Tribunal, Board, Court of India or any other Country or jurisdiction as applicable.

1.11 "**Listing Regulations**" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

1.12 **"NCLT"** means the Hon'ble National Company Law Tribunal. (NCLT) Bench at Hyderabad;

1.13 "**Registrar of Companies**" **or** "**ROC**" means the Registrar of Companies at Hyderabad

1.14 "**Rules**" means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

1.15 "**Scheme**" or "**The Scheme**" or "**This Scheme**" **or** "**Scheme of Arrangement**" **or** "**Scheme of Amalgamation**" "Scheme" means this Scheme of Arrangement being Amalgamation of the Transferor Company with the Transferee Company, with the approval of their respective shareholders and creditors as submitted to BSE, to SEBI and to the NCLT together with any modification(s) approved or directed by the NCLT Hyderabad Bench;

1.16 **"SEBI"** means the Securities and Exchange Board of India.

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1.17 "Shareholders" means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of concerned company as the context may require and shall include any third party transferees of such persons registered. The word "Shareholder" and "Member" are used to denote the same meaning and are used interchangeably.

1.18 "Stock Exchange" means BSE. where the equity shares of the Transferee Company are listed and traded.

1.19 "**Transferor Company**" means **"Maven Systems Private Limited ("Maven" or "Transferor Company")** is a wholly owned subsidiary of the Transferee Company, it was incorporated as a private limited Company on 21st October 2009 under the Companies Act, 1956 and having its registered office at Plot No C -5, A (P), Laxmi Chambers, Survey No. 1, beside lane GVK Bio, Industrial Park , Uppal, Hyderabad - 500039. The CIN of the Company is U72900TG2009PTC146864.

1.20 "**Transferee Company**" means "MosChip Technologies Limited" or "MosChip", a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034 (CIN Number: L31909TG1999PLC032184).

1.21 "**Tribunal**" means the Hon'ble National Company Law Tribunal. (NCLT) Bench at Hyderabad or such other authority empowered to sanction the Scheme as per the provisions of the Act.

1.22 "**Undertaking**" shall mean and include each of the whole of the undertaking(s) and entire businesses of the Transferor Company as a going concern, including (without limitation):

(I) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, Service Level Agreements, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever,

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know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad; whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership, flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, GST, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc., in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

(II) All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency),sundry creditors, liabilities (including contingent Inabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized;

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(III) All agreements, rights, contracts, entitlements, permits, permissions, sanctions, grants, no objection certificates, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, Security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Business activities and operations of the Transferor Company;

(IV) All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;

(V) All permanent employees engaged by the Transferor Company as on the Effective Date;

(VI) All rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever and provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, STPI arrangements, statutory licenses, franchises and all other interests in connection with or relating thereto;

(VII) all intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;

(VIII) all benefits and privileges under letters of permission and letters, of approvals, all tax credits, including MAT credit, CENVAT and other Input credits, refunds; reimbursements, claims, exemptions, benefits under GST, service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961;

1.23 In this Scheme, unless the context otherwise requires:

(a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

(b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

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(c) words in the singular shall include the plural and vice versa; and

(d) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

PART – II

2. (a) SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

The Capital Structure of the Transferor Company and the Transferee Company as on 31st December, 2020 and immediately before implementation of the scheme are as under:

2.1) The share capital of the Transferor Company as on 31st December 2020 was as under:

Authorised Capital	**Amount in Rs.**
10,000 Equity shares of Rs.10/- each	1,00,000
Total	**1,00,000**
Issued, Subscribed and Paid-Up Capital	
10,000 Equity shares of Rs. 10/- each fully paid up	1,00,000
Total	**1,00,000**

Subsequent to the above, there are no further changes in the share capital of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of the Transferor Company.

2.2) the share capital of the Transferee Company as on 31st December 2020 was as under:

Authorised Capital	**Amount in Rs.**
28,27,05,000 Equity shares of Rs.02/- each	56,54,10,000
Total	56,54,10,000
Issued Capital	
15,79,91,402 Equity shares of Rs.02/- each	31,59,82,804
Subscribed and Paid-Up Capital	
15,79,91,402 Equity shares of Rs.02 /- each fully paid up	31,59,82,804
Total	31,59,82,804

Subsequent to the above, there are no further changes in the share capital of the Transferee Company as on the date of approval of the Scheme by the Board of Directors of the Transferee Company.

2.3) Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued share capital of the Transferor Company is held directly by the

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Transferee Company and/or its nominees shall stand cancelled on the scheme being effective, that is, on the Effective Date, however, with effect from the Appointed Date.

2 (b) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s), if any made as per Clause 18 of Part-V of this Scheme shall be effective from the Appointed date but shall come into force from the Effective date.

PART III

AMALGAMATION, TRANSFER AND VESTING OF UNDERTAKINGS OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3) TRANSFER AND VESTING OF UNDERTAKINGS

3.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertakings of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, testing equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorizations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Section 230, as may be applicable, of the Act, and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights, business and undertaking(s) of the Transferee Company.

3.2 With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

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3.3 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

3.4 Loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future immediately before the Effective Date become due or remain outstanding between the Transferor Company and the Transferee Company shall, under the provisions of Sections 230 and 232 of the Act, without any further act, instrument, deed, cost or charge, stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and the corresponding appropriate effect shall be given in the books of accounts and records of the Transferee Company.

3.5 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

3.6 All the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Appointed Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

3.7 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

3.8 With effect from the Appointed Date, all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the

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Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

3.9 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income- tax Act, 1961.

4) CONSIDERATION

4.1. The entire Equity Share capital of the Transferor Company is held directly by the Transferee Company and its nominees. In other words, the Transferor Company is a wholly owned direct subsidiary of the Transferee Company. Accordingly, pursuant to this amalgamation, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished as per the provisions of Section 232 (3) (b) of the Act.

4.2. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. Further details of the accounting treatment is provided for in Para 10 of the Scheme.

5) LEGAL PROCEEDINGS

5.1. Any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending as on the Appointed Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

5.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

6) CONTRACTS, DEEDS AND OTHER INSTRUMENTS

6.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, memorandum of understanding, undertakings, term sheets,

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arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company and to which the Transferor Company are a party and subsisting or having effect on the Appointed Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

6.2. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation's, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

6.3. With effect from the Appointed Date and upon the Scheme becoming effective, without prejudice to the generality of the forgoing, all rights and licenses including those relating to intellectual property rights, such as trademarks, service marks, designs, patents, copyrights and domain names (whether registered or not), know-how, technical know-how, trade names, descriptions trading styles, franchises, labels, label designs, logos, emblems, and items of such nature, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights forming part of/ relating to the Transferor Company or to which the Transferor Company are a party or to the benefit of which the Transferor Company may be entitled/eligible, shall be in full force and effect on, or against, or in favour of, the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged thereto.

6.4. Without prejudice to the generality of the foregoing, the Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "insured" in the policies as if the Transferee Company was initially a party thereto.

7) STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANY

7.1. On the Scheme taking effect as aforesaid, the employees, if any, of the Transferor Company on the Appointed Date shall be deemed to have become the employees of the Transferee Company and their employment with the Transferee Company shall be on the following terms and conditions:

i. The terms and conditions of service applicable to the employees shall not be less favourable than those applicable to them as on the Appointed Date;

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ii. The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or otherwise and for all purposes will be reckoned from the date of their appointment with the Transferor Company; and

iii. The Transferee Company undertakes to continue to abide by the agreement/settlement, if any, entered into by the Transferor Company with any of its employees, which is in force as on the Appointed Date,

iv. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. The Trustees including Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

8) PAYMENT OF TAX

All taxes paid or payable by the Transferor Company in respect of the operations and/or the profits before the Appointed Date under Applicable Law, shall be on account of the Transferee Company and, in so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) by the Transferor Company in respect of the profits made from and after the Appointed Date, the same shall be deemed to be the tax paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

9) BANK OPERATION

Upon the Scheme being sanctioned and taking effect, all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the Bank of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.

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PART IV

ACCOUNTING TREATMENT

10) ACCOUNTING TREATMENT

With effect from the Appointed date and upon coming into effect of this Scheme, the Transferee Company shall account for the merger in its financial statements in accordance with "pooling of interest Method" laid down under Appendix C of Ind AS 103 (Business Combinations of entities under common control) notified under Section 133 of the Act read with relevant rules issued thereunder and applicable accounting standards prescribed under the Act:

10.1. The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the Appointed Date.

10.2. If at the time of amalgamation, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard-5, prior period and extraordinary items and changes in accounting policies.

10.3. investment, if any, in the equity share capital of the Transferor Company or vice versa as appearing in the books of accounts of the Transferee Company, if not transferred before the effective Date, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.

10.4 The loans and advances or payables or receivables of any kind, held inter-se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall, under the provisions of Sections 230 and 232 of the Act, without any further act, instrument, deed, cost or charge, stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and the corresponding appropriate effect shall be given in the books of accounts and records of the Transferee Company.

11) AUTHORIZED SHARE CAPITAL

11.1. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee

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Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

11.2. 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act accordingly by deleting the existing Clause and replacing it by the following:

> "*The Authorized Share Capital of the Company is Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakh Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crore Twenty Seven Lakh Fifty Five Thousand only) Equity Shares of Rs.2/- (Two only) each with power of the company to consolidate & Convert, subdivide, reduce or increase the capital into issue any new shares with preferential rights and conditions attached thereto, subject to the Companies Act, 2013.*"

12) TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

12.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have been held and stood possessed of and shall hold and stand possessed of all of the Assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertake to hold the said Assets with utmost prudence until the Effective Date.

12.2. All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

12.3. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business or discontinue any existing business or change the installed capacity of facilities.

12.4. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall carry on its business and activities with reasonable diligence, prudence and in the same manner as carried on before and shall not (without the prior written consent of the

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Transferee Company) undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.

12.5. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

13) SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 3 above and the continuance of proceedings by or against the Transferor Company under Clause 5 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

14) DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up in accordance with the provisions of the Act and the Rules made thereunder.

PART V

OTHER PROVISIONS

15) FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the NCLT, Hyderabad Bench, for sanction of this Scheme under the provisions of law and shall apply for such approvals as may be required under law.

16) VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other

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applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17) COMPLIANCE WITH SEBI REGULATIONS

17.1. As the present Scheme solelty provides for Amalgamation of wholly owned subsidiary with its holding company, no formal approval, no objection certificate or vetting is required from the Stock Echange or SEBI for the Scheme, terms of provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ready with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2015 SEBI Circular No.CFD/DIL3/CIR/2017/21 Dated 10th March, 2017, SEBI Circular No CFD/DIL3/CIR/2018/2 Dated 03rd January 2018, and other applicable provisions if any.

17.2. In terms of the SEBI Regulations, the present Scheme of Amalgamation by absorption is only required to be filed with Stock Exchange for the purpose of disclosure and dissemination on their website.

18) MODIFICATIONS / AMENDMENTS TO THE SCHEME

18.1. Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions(to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferee Company find unacceptable for any reason, then the Transferee Company shall be at liberty to withdraw the Scheme.

18.2. For the purpose of giving effect to this Scheme or to any modification(s) there for addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty

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that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

19) CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to —

19.1. The Scheme being approved by the requisite majority of members, creditors of the Transferor Company and approved by the Shareholders of the Transferee Company through resolution passed in terms of paragraphs 9 (a) and 9 (b) of Annexure 1 of the SEBI Circular dated March 10, 2017 and also approved by the requisite majority of the creditors of the Transferee Company;

19.2. The scheme having been approved by NCLT, Hyderabad bench, and the Transferee Company having received a certified true copy of order of Tribunal approving the Scheme;

19.3. Certified true copy of order of Tribunal approving the Scheme being filed with the Registrar of Companies having jurisdiction over the Transferee Company.

19.4. All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

19.5 The approval by the requisite sanction or approval from the Securities and Exchange Board of India, Stock Exchange, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.

20) SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

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21) EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (saved as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

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Moschip Technologies Limited
Hyderabad

Annexure - 2

Report adopted by the Board of Directors of MosChip Technologies Limited at its meeting held on January 25, 2021 as per the provisions of section 232(2)(c) of the Companies Act, 2013

Pursuant to the recommendation of Audit Committee, the proposed Scheme of Amalgamation ("Scheme") of Maven Systems Private Limited ("Transferor Company") with MosChip Technologies Limited("Transferee Company") was approved by the Board of Directors of the Company vide resolution passed at its Meeting held on January 25, 2021.

The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders and Creditors along with the notice convening the meeting of Members/Creditors. The Board noted that the Scheme does not contemplate any allotment of shares of the Transferee Company, as the Transferor Company is the Wholly-owned Subsidiary of the Company.

The following documents were placed before the Board:

a. Draft Scheme of Amalgamation;
b. Report of the Audit Committee of the Board of Directors dated January25, 2021.

Report

The Board of Directors after considering the afore-mentioned aspects and recommendations of the Audit Committee, approved the Scheme. The Board was of the opinion that:

1. The entire Equity Share capital of the Transferor Company is held directly by the Transferee Company and its nominee. In other words, the Transferor Company is a wholly owned direct subsidiary of the Transferee Company. Accordingly, pursuant to this amalgamation, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished as per the provisions of Section 232 (3) (b) of the Companies Act, 2013. The Board also observed that since there is no requirement for any share entitlement ratio, there is no requirement to obtain a valuation report.

2. The proposed Scheme of Amalgamation does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares.

3. The proposed Scheme of Amalgamation does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares.

4. The effect of the proposed Scheme of Amalgamation on the shareholders, key managerial personnel, promotors and non-promoter shareholders and creditors of the Company would be as follows:

Company would be as follows	
(a) Key Managerial Personnel	No impact
(b) Directors	No impact
(c) Promoters	No impact
(d) Non-Promoter Members	No impact
(e) Depositors	Not applicable
(f) Creditors	No impact
(g) Debenture Holders	Not applicable
(h) Deposit Trustee and Debenture Trustee	Not applicable
(i) Employees of the Company	No impact

In the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

5. Further, there will be no change in the KMP of the Transferee Company pursuant to the Scheme.
6. Upon the Scheme becoming effective, the authorized share capital of the Transferee Company shall stand combined with the authorized share capital of the Transferor Company. The Authorized Share Capital of the Transferee Company shall increase to Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakh Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crore Twenty Seven Lakh Fifty Five Thousand only) Equity Shares of Rs.2/- (Two only).

for and on behalf of the Board of Directors
MosChip Technologies Limited

K Pradeep Chandra
Director
DIN: 05345536

Report adopted by the Board of Directors of Maven Systems Private Limited at its meeting held on January 25, 2021 as per the provisions of section 232(2)(c) of the Companies Act, 2013

The proposed Scheme of Amalgamation ("Scheme") of Maven Systems Private Limited ("Transferor Company") with MosChip Technologies Limited("Transferee Company") was approved by the Board of Directors of the Company vide resolution passed at its Meeting held on January 25, 2021.

The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders and Creditors along with the notice convening the meeting of Members/Creditors. The Board noted that the Scheme does not contemplate any allotment of shares of the Transferee Company, as the Transferor Company is the Wholly-owned Subsidiary of the Company.

The Draft Scheme of Amalgamation was placed before the Board for consideration.

Report

The Board of Directors after considering the afore-mentioned aspects approved the Scheme. The Board was of the opinion that:

1. The entire Equity Share capital of the Transferor Company is held directly by the Transferee Company and its nominee. In other words, the Transferor Company is a wholly owned direct subsidiary of the Transferee Company. Accordingly, pursuant to this amalgamation, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished as per the provisions of Section 232 (3) (b) of the Companies Act, 2013. The Board also observed that since there is no requirement for any share entitlement ratio, there is no requirement to obtain a valuation report.

2. The proposed Scheme of Amalgamation does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferor Company to any additional shares.

Maven Systems Private Limited
Plot No C -5, A (P) Survey No. 1, Laxmi Chambers, Industrial Park, beside lane GVK Bio, Uppal, Hyderabad – 500039, Rangareddy, Telangana. CIN: U72900TG2009PTC146864

3. The effect of the proposed Scheme of Amalgamation on the shareholders, key managerial personnel, promotors and non-promoter shareholders and creditors of the Company would be as follows:

Company would be as follows	
(a) Key Managerial Personnel	No impact
(b) Directors	No impact
(c) Promoters	No impact
(d) Non-Promoter Members	No impact
(e) Depositors	Not applicable
(f) Creditors	No impact
(g) Debenture Holders	Not applicable
(h) Deposit Trustee and Debenture Trustee	Not applicable
(i) Employees of the Company	No impact

In the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

4. Upon scheme becoming effective the employees of the Transferor Company on the Appointed Date shall be deemed to have become the employees of the Transferee Company.

5. Upon the Scheme becoming effective, the authorized share capital of the Transferee Company shall stand combined with the authorized share capital of the Transferor Company. The Authorized Share Capital of the Transferee Company shall increase to Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakh Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crore Twenty Seven Lakh Fifty Five Thousand only) Equity Shares of Rs.2/- (Two only).

for and on behalf of the Board of Directors
Maven Systems Private Limited

S. Jayaram

Jayaram Susarla
Director
DIN: 08077540

Maven Systems Private Limited Hyderabad

Annexure - 4

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

Independent Auditor's Report

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 three subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2021, 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 2021, 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.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Key Audit Matters

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ➢ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. ➢ Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. ➢ Performed the following procedures: • Analysed and identified the distinct performance obligations in the contracts. • Compared these performance obligations with that identified and recorded by the Group. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration • In respect of revenue recorded for time and material contracts were tested using combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Key Audit Matter	Auditor's Response
Acquisition of businesses within the Group are recognised and accounted in the books in accordance with Ind AS 103 Business Combinations. The application of the accounting standard involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 38 to the Consolidated Financial Statements. The carrying value of Goodwill resulting from such business combinations aggregated INR 718,563,386 as at 31st March,, 2021. Significant judgement is required by management in assessing the Goodwill impairment, if any, annually, which is determined using valuation techniques. The valuation is largely based on expected future cash flows, taking into account estimated growth rates and assumption with regard to discount rates. The assessment of impairment involves significant judgements and estimates. As such we consider this as a key audit matter	For assessing the impairment, we have verified the following: o Evaluated the internal sources and external sources of information to identify impairment indicators. o Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses used in development of free cash flows by the management. o Assessed the discount rates by making reference to comparable companies within the same industry. o Reviewed the management plans for the foreseeable future and events / factors which have an impact on the relevant business. o Evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis. o We analysed the management approved financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumptions considered, which will have adverse impact on the recoverable value of such investments. o Tested the accounting entries of business combinations for the acquisition entries recorded during the financial year to verify if these were in accordance with Ind AS 103. o Held discussions with the Component Auditors for business combinations accounted in components not audited by us to verify compliance with the accounting standards.

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

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

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

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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.

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

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company 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.

S.T. Mohite & Co. Regd. No. 011410S Chartered Accountants

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. 113,690,174/- as at 31st March 2021, total revenues of Rs. 367,600,779 /- and net cash inflows amounting to Rs. 28,255,551/-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. 15,783,363/- for the year ended 31 March 2021, 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.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

e. On the basis of the written representations received from the directors of the Parent Company and its subsidiaries which are incorporated in India as on 31st March, 2021 taken on record by the Board of Directors of respective companies, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Parent Company and its subsidiaries, which are incorporated in India is in accordance with the provisions of section 197 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.

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

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

ICAI:UDIN:21015635AAAACT7048

Place: Hyderabad
Date: 27th April 2021

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)

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 2021, 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 incorporate 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 incorporate 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 incorporate in India.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 2021, based on the internal control over financial reporting criteria established by the Parent Company and its subsidiaries which are incorporate 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 (Regd. No. 011410S)

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

Place: Hyderabad
Date: 27th April 2021

ICAI:UDIN:21015635AAAACT7048

MosChip Technologies Limited
Consolidated Balance Sheet
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	As at 31-Mar-21	As at 31-Mar-20
ASSETS			
Non-current assets			
Property, plant and equipment	4	58,873,341	97,290,362
Goodwill	38	718,563,386	718,563,386
Other Intangible assets	5	133,607,291	146,480,937
Intangible assets under development	5	-	33,798,979
Financial assets			
Trade receivables	7	28,672,507	34,673,546
Deferred tax assets (Net)	34	-	549,663
		939,716,525	**1,031,356,873**
Current assets			
Inventories	6	21,695,367	27,659,138
Financial assets			
Trade receivables	7	275,316,388	280,826,292
Cash and cash equivalents	8 (a)	57,818,026	32,054,220
Other bank balances	8 (b)	2,866,776	1,904,516
Loans	9	102,105,764	108,539,170
Other financial assets	10	1,901,833	2,027,172
Current tax assets (net)		44,668,607	58,487,181
Other current assets	11	89,635,255	66,848,502
		596,008,016	**578,346,191**
Total assets		**1,535,724,541**	**1,609,703,064**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	315,587,864	315,587,864
Other equity	13	213,820,772	307,193,273
Total equity		**529,408,636**	**622,781,137**
Non-current liabilities			
Provisions	14	46,925,673	30,023,513
Financial liabilities			
Borrowings	16	1,464,408	1,754,331
Other financial liabilities	15	37,584,034	37,584,034
		85,974,115	**69,361,878**
Current liabilities			
Financial liabilities			
Borrowings	16	630,142,395	621,732,035
Trade payables	17		
(a) total outstanding dues of micro and small enterprises			
(b) total outstanding dues other than (a) above		202,365,674	225,024,491
Other financial liabilities	15	729,130	803,518
Other current liabilities	18	70,578,332	50,405,005
Deferred tax liability	34	-	9,126
Provisions	14	16,526,259	19,585,874
Total current liabilities		**920,341,790**	**917,560,049**
Total liabilities		**1,006,315,905**	**986,921,927**
Total equity and liabilities		**1,535,724,541**	**1,609,703,064**
See accompanying notes forming part of the Consolidated Financial Statements	1 to 41		

As per our report of even date attached

for ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No:ACS 39381

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

Place: Hyderabad
Date: 27 April 2021

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Consolidated Statement of Profit and Loss
(All amounts in Indian Rupees, except share data and where otherwise stated)

		Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
I	**Income**			
	Revenue from operations	19	1,051,934,571	993,206,996
	Other income	20	17,273,828	17,825,045
	Total Income		**1,069,208,399**	**1,011,032,041**
II	**Expenses**			
	Cost of material consumed	21	37,532,877	127,723,946
	Other operating expenses	22	113,328,815	124,574,644
	Employee benefits expenses	23	732,864,778	780,810,328
	Finance costs	24	85,707,810	63,755,338
	Depreciation and amortisation expense	5a	91,797,575	93,748,352
	Other expenses	25	98,861,914	111,170,376
	Total expense		**1,160,093,769**	**1,301,782,984**
III	**Loss before exceptional and tax (I - II)**		(90,885,370)	(290,750,943)
IV	Exceptional Item	25 (a)	-	173,695,630
V	**Loss before tax (III - IV)**		**(90,885,370)**	**(464,446,573)**
VI	Tax expense			
	Current tax		81,704	1,920,275
	Tax adjustments for earlier years		-	149,063
	Deferred tax	34	540,537	(6,366,032)
	Total tax expense		**622,241**	**(4,296,694)**
VII	**Loss after tax (V - VI)**		**(91,507,611)**	**(460,149,879)**
VIII	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss:			
	Remeasurements of the defined benefit liabilities - (gain) / loss	30	7,366,233	3,294,292
	B) Items that will be reclassified to profit or loss:			
	Exchange difference on translating foreign operations		(761,827)	2,531,673
	Total Other Comprehensive (Income) / loss		**6,604,406**	**5,825,965**
IX	**Total comprehensive loss for the year (VII - VIII)**		**(98,112,017)**	**(465,975,844)**
	Earnings per Equity Share (nominal value of INR 2) in INR	33		
	Basic		(0.58)	(2.92)
	Diluted		(0.56)	(2.86)
	See accompanying notes forming part of the Consolidated Financial Statements	1 to 41		

As per our report of even date attached
For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No:ACS 39381

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Consolidated Statement of Cash flow
(All amounts in Indian Rupees, except share data and where otherwise stated)

		Year ended 31-Mar-21	Year ended 31-Mar-20
A	**Cash flow from operating activities**		
	Loss before tax	(90,885,370)	(464,446,573)
	Adjustments for:		
	Depreciation of property, plant and equipment	40,266,791	38,578,855
	Amortisation of intangible assets	51,530,784	55,169,497
	Interest income	(1,976,154)	(3,738,023)
	Finance costs	85,707,810	63,755,338
	Allowances for Doubtful Receivables and Bad Debts / Inventory written off (net)	26,374,525	173,695,630
	Write back of liabilities	(12,920,881)	-
	Unrealized exchange (gain)/ loss (net)	3,192,054	(7,908,608)
	Amorisation of share based payment cost	4,739,516	17,144,592
	Provision for employee benefits	18,879,682	10,061,321
	Working capital adjustments:		
	(Increase)/ decrease in trade receivables	(24,056,676)	(92,383,101)
	(Increase)/ decrease in inventories	5,963,771	17,654,617
	(Increase)/ decrease in Loan	6,433,406	2,540,729
	(Increase)/ decrease in Other current asset	(22,786,752)	39,454,660
	(Increase)/ decrease in Financial asset	140,000	-
	(Increase)/ decrease in trade receivables Non Current	6,001,039	16,948,594
	(Increase)/ decrease in Other non-current assets	-	1,198,936
	Increase/ (decrease) in Provisions	(12,403,371)	(2,009,644)
	Increase/ (decrease) in Trade Payable	(9,737,972)	7,463,335
	Increase/ (decrease) in current liabilities	20,173,327	6,208,277
	Cash generated from / (used in) operating activities before taxes	**94,635,529**	**(120,611,568)**
	Income tax paid	13,736,870	6,452,985
	Net cash flows from / (used in) operating activities (A)	**108,372,399**	**(114,158,583)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work in progress)	(1,219,119)	(8,146,852)
	Purchase of other intangible assets	(5,563,198)	(45,000)
	Purchase of other intangible assets under development	-	(9,678,264)
	(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(962,261)	263,020
	Interest received (finance income)	1,961,493	3,557,667
	Net cash flows used in investing activities (B)	**(5,783,084)**	**(14,049,429)**
C	**Cash flow from financing activities**		
	Proceeds from Issue of share capital / share warrants	-	41,798,252
	Proceeds / (repayment) from long term borrowings, net	27,581,072	119,254,183
	Finance cost paid	(105,168,408)	(29,059,750)
	Net cash flows from / (used in) financing activities (C)	**(77,587,336)**	**131,992,685**
	Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	25,001,979	3,784,673
	Cash and cash equivalents at the beginning of the year	32,054,220	30,801,220
	Movement in foreign currency translation reserve	761,827	(2,531,673)
	Cash and cash equivalents at the end of the year (refer note 8 (a))	**57,818,026**	**32,054,220**
	See accompanying notes forming part of the Consolidated Financial Statements	1 to 41	

As per our report of even date attached
For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No:ACS 39381

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Consolidated Statement of Changes in Equity
(All amounts in Indian Rupees, except share data and where otherwise stated)

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

As of 1 April 2019		Change in Equity share Capital during the year		As at 31 March 2020	
Shares	Amount	Shares	Amount	Shares	Amount
153,910,377	307,820,754	3,883,555	7,767,110	157,793,932	315,587,864
As of 1 April 2020		**Change in Equity share Capital during the year**		**As at 31 March 2021**	
Shares	Amount	Shares	Amount	Shares	Amount
157,793,932	315,587,864	-	-	157,793,932	315,587,864

b. Other equity

Particulars	Money received against warrants	Reserves and Surplus				Other Comprehensive Income		Total
		Capital reserve	Securities Premium	Share option outstanding account	Retained Earnings	Foreign Currency Translation Reserve	Remeasurement of the net defined benefit plans	
Balance as at 1 April 2019	**220,002,129**	**147,492,167**	**1,232,944,974**	**9,766,254**	**(908,186,996)**	**23,585,317**	**(3,610,464)**	**721,993,381**
Loss for the year	-	-	-	-	(460,149,879)	-		(460,149,879)
Other comprehensive income (Net)	-	-	-	-	-	(2,531,673)	(3,294,292)	(5,825,965)
Total comprehensive income for the year	-	-	-	-	**(460,149,879)**	**(2,531,673)**	**(3,294,292)**	**(465,975,844)**
Issue of warrants	39,999,994	-	-	-	-	-	-	39,999,994
Forfeiture of warrants	(100,002,148)	100,002,148	-	-	-	-	-	-
Reclassification of actuarial gain / loss to retained earnings	-	-	-	-	(4,806,021)	-	4,806,021	-
Received on exercise of stock options	-	-	1,142,260	-	-	-	-	1,142,260
Transfer from share option outstanding account on exercise of stock options	-	-	886,830	(886,830)	-	-	-	-
Amortised amount of share based payments to employees (net)	-	-	-	17,144,592	-	-	-	17,144,592
Conversion of equity warrants to equity shares	(159,999,975)	-	152,888,865	-	-	-	-	(7,111,110)
Balance as at 31 March 2020	-	**247,494,315**	**1,387,862,929**	**26,024,016**	**(1,373,142,896)**	**21,053,644**	**(2,098,735)**	**307,193,273**
Loss for the year	-	-	-	-	(91,507,611)	-		(91,507,611)
Other comprehensive income (Net)	-	-	-	-	-	761,827	(7,366,233)	(6,604,406)
Total comprehensive income for the year	-	-	-	-	**(91,507,611)**	**761,827**	**(7,366,233)**	**(98,112,017)**
Amortised amount of share based payments to employees (net)	-	-	-	4,739,516	-	-	-	4,739,516
Balance as at 31 March 2021	-	**247,494,315**	**1,387,862,929**	**30,763,532**	**(1,464,650,507)**	**21,815,471**	**(9,464,968)**	**213,820,772**

See accompanying notes forming part of the Consolidated Financial Statements 1 to 41

As per our report of even date attached
for ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No:ACS 39381

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

1 Corporate Information

MosChip Technologies Limited (‘the Company’) was incorporated in 1999 as a private limited company under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) in 2001. The Registered office of the Company is situated at 7th Floor, "My Home Twitza", Hyderabad Knowledge City, Hyderabad - 500081. which is its principal place of business. As on 31 March 2021, the Company has three wholly owned subsidiary companies in India and USA, Oshin Global Pte Limited is the holding Company and EIJI Holdings Pte Limited is the ultimate holding company of the Group.

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

The Consolidated Financial Statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on 27 April 2021.

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method

2.3 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.

Following are the Subsidiary companies as on 31 March 2021 & 31 March 2020 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 2021**	**% Holding as on 31 March 2020**
Maven Systems Private Limited (Maven)	India	100% Subsidiary	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

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.

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

MosChip Technologies Limited
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

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

Liabilities :

A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
Current assets / liabilities include the current portion of non-current assets/ liabilities respectively. All other assets / liabilities are classified as non-current.

2.6 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.

(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.

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

2.6 Use of Estimates: (Continued.,)

Critical accounting estimates (Continued.,)

(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 it working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably

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

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

Useful lives of depreciable assets *	**Useful Life**
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

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.

Leasehold improvements are depreciated over the shorter of estimated useful life of the asset or 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

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

2.9 Impairment of assets

(i) Financial assets

The Group 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 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:

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

Finished Goods:

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

Projects in Progress / Work in Progress:

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

2.11 Revenue recognition

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

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

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

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

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

2.11 Revenue recognition (Continued.,)

- 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.
- 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.
- 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.

(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.

MosChip Technologies Limited
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

2.14 Financial instruments (Continued.,)

(ii) Derivative financial instruments and hedge accounting (Continued.,)

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.

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 and long term service awards 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 consolidated 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.

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.

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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

2.19 Provisions and contingent liabilities

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 Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

a Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c Specified format for disclosure of shareholding of promoters

d Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used

f Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

a Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

4 Property, plant and equipment

Particulars	Mask Tools	Electrical Installation	Leasehold improvements	Lab Equipment's	Plant and Machinery	Furniture and fixtures	Office equipment's	Computers	Vehicles	Total Tangible Assets
Cost										
At 1 April 2019	**147,909,544**	**777,766**	**10,949,071**	**2,150,527**	**1,985,164**	**7,449,809**	**4,990,269**	**15,967,567**	**5,256,393**	**197,436,110**
Additions / (Transfer)	-	-	-	-	475,000	3,057,385	449,099	4,572,088	-	8,553,572
Less: Deletions	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	**147,909,544**	**777,766**	**10,949,071**	**2,150,527**	**2,460,164**	**10,507,194**	**5,439,368**	**20,539,655**	**5,256,393**	**205,989,682**
Additions / (Transfer)	-	-	-	2,694,857	-	-	-	1,838,036	-	4,532,893
Less: Deletions	-	607,790	10,949,071	-	1,816,668	6,804,244	3,552,880	6,009,023	275	29,739,951
At 31 Mar 2021	**147,909,544**	**169,976**	**-**	**4,845,384**	**643,496**	**3,702,950**	**1,886,488**	**16,368,668**	**5,256,118**	**180,782,624**
Accumulated depreciation										
At 1 April 2019	**44,401,324**	**466,331**	**9,863,448**	**723,350**	**1,141,031**	**3,387,794**	**2,759,248**	**6,821,339**	**556,600**	**70,120,465**
Charge for the year	29,581,908	46,669	1,047,290	425,415	280,861	1,013,570	667,391	4,867,851	647,900	38,578,855
At 31 March 2020	**73,983,232**	**513,000**	**10,910,738**	**1,148,765**	**1,421,892**	**4,401,364**	**3,426,639**	**11,689,190**	**1,204,500**	**108,699,320**
Charge for the year	29,675,018	141,354	38,335	877,446	591,591	3,294,215	1,303,699	3,697,532	647,601	40,266,791
Less: Deletions	-	607,791	10,949,073	-	1,816,668	6,692,200	3,523,680	3,467,141	275	27,056,828
At 31 Mar 2021	**103,658,250**	**46,563**	**-**	**2,026,211**	**196,815**	**1,003,379**	**1,206,658**	**11,919,581**	**1,851,826**	**121,909,283**
Carrying amount										
At 1 April 2019	103,508,220	311,435	1,085,623	1,427,177	844,133	4,062,015	2,231,021	9,146,228	4,699,793	127,315,645
At 31 March 2020	73,926,312	264,766	38,333	1,001,762	1,038,272	6,105,829	2,012,729	8,850,465	4,051,893	97,290,362
At 31 March 2021	**44,251,294**	**123,413**	**-**	**2,819,173**	**446,681**	**2,699,571**	**679,830**	**4,449,087**	**3,404,292**	**58,873,341**

5 Intangible assets

Particulars	Design & Development	Software	Total Intangible assets	Intangible assets under development
Cost				
At 1 April 2019	**236,576,695**	**858,020**	**237,434,715**	**24,120,714**
Additions / (Transfer)	-	45,000	45,000	**9,678,265**
At 31 March 2020	**236,576,695**	**903,020**	**237,479,715**	**33,798,979**
Additions / (Transfer)	38,589,363	-	38,589,363	(33,798,979)
Less: Deletions	-	903,020	903,020	
At 31 March 2021	**275,166,058**	**-**	**275,166,058**	**-**
Accumulated amortisation				
At 1 April 2019	**35,311,525**	**517,756**	**35,829,281**	**-**
Charge for the year	55,070,095	99,402	55,169,497	-
At 31 March 2020	**90,381,620**	**617,158**	**90,998,778**	**-**
Charge for the year	51,244,921	285,863	51,530,784	-
Deletions	67,774	903,021	970,795	
At 31 March 2021	**141,558,767**	**-**	**141,558,767**	**-**
Carrying amount				
At 1 April 2019	201,265,170	340,264	201,605,434	24,120,714
At 31 March 2020	146,195,075	285,862	146,480,937	33,798,979
At 31 March 2021	**133,607,291**	**-**	**133,607,291**	**-**

5a Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation	40,266,791	38,578,855
Amortisation	51,530,784	55,169,497
Total	**91,797,575**	**93,748,352**

MosChip Technologies Limited
Notes forming part of Consolidated Financial Statements
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	As at 31-Mar-21	As at 31-Mar-20
6 Inventories *		
Inventories consist of the following:		
Hardware and Product Component for IoT	21,695,367	27,659,138
	21,695,367	**27,659,138**
* Inventories are carried at lower of cost and net realisable value.		
7 Trade receivables		
Non Current		
Unsecured, considered good	28,672,507	34,673,546
Less: Allowance for doubtful trade receivables	-	-
	28,672,507	**34,673,546**
Current		
Unsecured, considered good	315,642,387	298,627,781
Less: Allowance for doubtful trade receivables	(40,325,999)	(17,801,489)
	275,316,388	**280,826,292**
8 (a) Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- in Current account	47,354,759	22,139,114
- in Deposit account	10,463,267	9,915,106
	57,818,026	**32,054,220**
8 (b) Other bank balances		
Term deposits with Banks with original maturities of less than 1 year*	2,866,776	1,904,516
Total Other bank balances	**2,866,776**	**1,904,516**
* Balances held as Margin Money/Security deposit represents the deposits lodged with Banks against Guarantees issued by them.		
9 Loans - current		
Unsecured, considered good		
Security deposits	102,105,764	108,539,170
	102,105,764	**108,539,170**
10 Other current financial assets		
Unsecured, considered good		
Earnest Money Deposits	1,841,521	1,981,521
Interest accrued on deposits	60,312	45,651
	1,901,833	**2,027,172**
11 Other current assets		
Unsecured, considered good		
Advances to employees	31,446	1,369,228
Balance with Government Authorities	-	1,752,938
Indirect tax recoverable	40,609	1,038,756
Advance to Vendors	6,397,446	4,588,798
Prepaid expenses	8,817,827	8,330,552
Unbilled revenue	74,347,927	49,768,230
	89,635,255	**66,848,502**
12 Equity share capital		
Authorised Share Capital		
282,705,000 (March 31, 2020: 282,705,000) equity shares of Rs.2 each	565,410,000	565,410,000
Issued, subscribed and fully paid-up		
157,991,402(March 31, 2020: 157,991,402) equity shares of Rs.2/- each fully paid-up	315,982,804	315,982,804
Less: 197,470 (March 31, 2020: 197,470) Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	(394,940)	(394,940)
Adjusted: Issued, subscribed and fully paid-up	**315,587,864**	**315,587,864**

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Hyd.
Chartered Accountants

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

	As at 31-Mar-21	As at 31-Mar-20

12 Equity share capital (Continued.,)

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

Particulars	31-Mar-21		31-Mar-20	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	157,991,402	315,982,804	154,148,847	308,297,694
Issued during the year	-	-	3,842,555	7,685,110
Total	**157,991,402**	**315,982,804**	**157,991,402**	**315,982,804**
Less: Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	197,470	394,940	197,470	394,940
Adjusted : Issued, Subscribed and Paid up Share Capital	**157,793,932**	**315,587,864**	**157,793,932**	**315,587,864**

(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-Mar-21		As at 31-Mar-20	
	No. of equity shares held	% holding #	No. of equity shares held	% holding #
Oshin Global Pte Limited	81,531,739	51.61%	81,531,739	51.61%
EIJI Holdings Pte Limited (Ultimate holding Company)	196,000	0.12%	196,000	0.12%

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

(d) Of the above issued shares 81,531,739 (31 March 2020 - 81,531,739) equity shares held by holding company namely Oshin Global Pte Ltd and 196,000 (31 March 2020 - 196,000) equity shares are held by Ultimate holding Company namely EIJI Holdings Pte Limited.

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

13 Other equity

a) Money received against warrants

	31-Mar-21	31-Mar-20
Opening balance	-	220,002,129
Forfeiture of share warrants		(100,002,148)
Issue of share warrants		39,999,994
Conversion of warrants to equity shares		(159,999,975)
Closing balance	-	-

b) Capital Reserve

	31-Mar-21	31-Mar-20
Opening balance	247,494,315	147,492,167
Forfeiture of share warrants	-	100,002,148
Closing balance	**247,494,315**	**247,494,315**

Capital reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on forefeiture of share warrants issued in the earlier years.The capital reserve can be utilised for issue of bonus shares.

c) Securities Premium

	31-Mar-21	31-Mar-20
Opening balance	1,387,862,929	1,232,944,974
Conversion of warrants to equity shares	-	152,888,865
Transfer from share option outstanding account on exercise of stock options	-	886,830
Received on exercise of Stock options	-	1,142,260
Closing balance	**1,387,862,929**	**1,387,862,929**

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.

d) Share option outstanding account

	31-Mar-21	31-Mar-20
Opening balance	26,024,016	9,766,254
Amorisation of Share based payment cost	4,739,516	17,144,592
Transfer from share option outstanding account on exercise of stock options	-	(886,830)
Closing balance	**30,763,532**	**26,024,016**

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.

e) Retained earnings

	31-Mar-21	31-Mar-20
Opening balance	(1,373,142,896)	(908,186,996)
Reclassification of actuarial gain / loss to retained earnings		(4,806,021)
Loss for the year	(91,507,611)	(460,149,879)
Closing balance	**(1,464,650,507)**	**(1,373,142,896)**

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Notes forming part of Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

		As at 31-Mar-21	As at 31-Mar-20
13	**Other equity** (Continued.,)		
f)	**Other Comprehensive Income**		
	(i) Remeasurement of the net defined benefit plans		
	Opening balance	(2,098,735)	(3,610,464)
	Reclassification of actuarial gain / loss to retained earnings	-	4,806,021
	Additions during the year	(7,366,233)	(3,294,292)
	Closing balance	**(9,464,968)**	**(2,098,735)**
	(ii) Foreign currency translation reserve (FCTR)		
	Opening balance	21,053,644	23,585,317
	Additions during the year	761,827	(2,531,673)
	Closing balance	**21,815,471**	**21,053,644**

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.

	Total other equity	**213,820,772**	**307,193,273**
14	**Provisions**		
	Non-Current		
	Provision for employee benefits		
	- Gratuity (refer note 30)	32,198,383	22,832,211
	- Compensated absences	13,128,719	5,886,111
	Provision for Warranty	1,598,571	1,305,191
		46,925,673	**30,023,513**
	Current		
	Provision for employee benefits		
	- Gratuity (refer note 30)	8,907,072	12,217,614
	- Compensated absences	7,619,187	7,368,260
		16,526,259	**19,585,874**
15	**Other financial liabilities**		
	Non Current		
	Royalty Payable	37,584,034	37,584,034
		37,584,034	**37,584,034**
	Current		
	Capital creditors	729,130	803,518
		729,130	**803,518**
16	**Borrowings**		
	Non-Current		
	Secured loans		
	Vehicle Loans (refer note i)	1,464,408	1,754,331
		1,464,408	**1,754,331**
	Current- Borrowings		
	Unsecured Borrowings		
	- From banks (refer note ii)	194,632,871	160,313,738
	- From related parties (refer note 27)	435,509,524	461,418,297
		630,142,395	**621,732,035**

Note

i) Vehicle Loans are secured by first charge and hypothecation of vehicles. Such loans are repayable over a period of 84 months and carry interest rate at 9.40% p.a.

ii) The Group has obtained Over Draft facility from bank for an amount of Rs.15.00 crores, which is secured by charge on time deposit of third party offered as collateral security. During the current year, the bank has sanctioned Rs. 2.88 crores of additional loan under the scheme of ECLGS.
Line of Credit from bank for an amount of $ 150k, which is secured by personally guarantee given by the director's of the Company and $245k Payroll Protection Plan (PPP) loan from Small Business Administration (SBA) through MosChip USA, rate of Interest 1% p.a.,

17	**Trade payables**		
	Trade payables		
	(a) total outstanding dues of micro and small enterprises (refer note 31)	-	-
	(b) total outstanding dues other than (a) above	202,365,674	225,024,491
		202,365,674	**225,024,491**
18	**Other liabilities**		
	Current		
	Statutory liabilities	64,570,336	39,424,193
	Advance from customer	815,706	9,194,800
	Revenue received in advance	5,192,290	1,786,012
		70,578,332	**50,405,005**

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Notes forming part of Consolidated Financial Statements

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

		Year ended 31-Mar-21	Year ended 31-Mar-20
19	**Revenue from operations**		
	Semiconductor services & Products	902,295,674	760,306,727
	Embedded services & Products	149,638,897	232,900,269
		1,051,934,571	**993,206,996**
20	**Other income**		
	Interest income	789,136	1,062,961
	Interest on Income-tax refund	1,187,018	2,675,062
	Foreign exchange gain / (loss) (net)	(4,306,391)	8,206,947
	Interest Income on financial assets carried at fair value	4,063,308	4,527,476
	Write back of liabilities	12,920,881	-
	Others	2,619,876	1,352,599
		17,273,828	**17,825,045**
21	**Cost of material consumed**		
	Opening stock	27,659,138	44,938,906
	Add: Purchases during the year	31,569,106	110,444,178
	Less: Closing stock	21,695,367	27,659,138
		37,532,877	**127,723,946**
22	**Other operating expenses**		
	Outsourcing Services	54,241,881	72,129,941
	Software tools cost	35,581,284	26,053,042
	Installation & Data Charges	10,645,940	9,507,623
	Job work Charges	12,566,330	15,460,531
	Other expenses	293,380	1,423,507
		113,328,815	**124,574,644**
23	**Employee benefits expense**		
	Salaries, wages and bonus	697,029,819	722,690,378
	Contribution to provident and other funds	19,975,840	20,703,943
	Share based payment expenses	4,739,516	17,144,592
	Staff welfare expenses	11,119,603	20,271,415
		732,864,778	**780,810,328**
24	**Finance costs**		
	Interest on working capital loan	15,501,434	16,128,076
	Interest on other loans	68,974,604	46,493,835
	Bank charges	1,231,772	1,133,427
		85,707,810	**63,755,338**

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Notes forming part of Consolidated Financial Statements

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

		Year ended 31-Mar-21	Year ended 31-Mar-20
25	**Other expenses**		
	Software expenses	1,443,006	882,372
	Power and fuel	2,879,247	7,363,126
	Director sitting fee	1,194,000	1,500,000
	Repairs and maintenance	364,593	1,266,110
	Auditors remuneration (refer note 29)	2,374,749	2,295,124
	Postage, telegram and telephone expenses	628,263	1,116,756
	Lease rentals (refer note 32)	19,718,438	36,222,572
	Rent on equipment's	3,152,629	3,814,250
	Business promotion and advertisement expenses	9,278,385	3,190,884
	Security expenses	814,544	1,873,009
	Travelling and conveyance	3,367,394	15,837,157
	Rates and taxes	1,295,490	326,694
	Professional charges	5,286,403	13,117,656
	Printing and stationary	49,743	411,491
	Communication expenses	1,734,612	2,090,421
	Insurance	709,985	981,674
	Office maintenance	3,115,946	7,527,386
	Subscription charges	3,619,212	4,638,439
	General expenses	11,460,750	6,715,255
	Allowances for Doubtful Receivables and Bad Debts written off (net)	26,374,525	-
		98,861,914	**111,170,376**

25 (a)	**Exceptional Item (refer note 39)**		
	Bad debts written off	-	150,947,156
	Allowances for Doubtful Receivables and Bad Debts written off (net)	-	17,801,061
	Written down value of Inventory	-	4,947,413
		-	**173,695,630**

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

26 Contingent liabilities and commitments

Particulars	As at 31-Mar-21	As at 31-Mar-20
i) Contingent liabilities:		
- Corporate guarantees given on behalf of related parties	2,866,776	1,904,516

27 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 2021
Holding Company	
EIJI Holding Pte Limited	Ultimate Holding Company
Oshin Global Pte Limited	Holding Company
Directors and relatives *	
Mr. Damodar Rao Gummadapu	Non-Executive Director.
Mr. K Ramachandra Reddy	Non-Executive Director.
Mrs. Asha Nimmagadda	Relative of Promoter of Holding company
Mr. Gunapati Venkata Pranav Reddy	Relative of Promoter of Holding company
Key Management Personnel and relatives *	
Mr. Venkata Sudhakar Simhadri - Managing Director and Chief Executive Officer	Key Management Personnel
Mr. Jayaram Susarla - Chief Financial Officer	Key Management Personnel
Mr. Suresh Bachalakura - Company Secretary	Key Management Personnel
Others*	
IQuest Enterprises Private Limited	Common Shareholder through Holding Company
Mapple Enterprises Private Limited	Common Shareholder through Holding Company
Mayuka Holdings Private Limited	Common Shareholder through Holding Company
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

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

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.

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

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Loans received from		
Mapple Enterprises Private Limited	-	10,000,000
Mayuka Holdings Private Limited	10,000,000	183,000,000
Allotment of equity shares / warrants		
Mr. K Ramachandra Reddy (Preferential allotment) (3,555,555 shares @ 45 (converted warrants to shares during the year)		40,000,000
Loans - Repayment		
Jaagruthi Info Technologies Private Limited	10,000,000	40,000,000
Mr. K Ramachandra Reddy	-	40,000,000
Interest expenses		
Jaagruthi Info Technologies Private Limited	1,629,342	4,676,710
Mrs. Asha Nimmagadda	9,000,003	9,024,660
Mapple Enterprises Private Limited		6,243,616
Mayuka Holdings Private Limited	58,345,259	17,618,849
Other expenses / (Income)		
Magica Sports Ventures Private Limited	(6,144,068)	2,500,000
Blaster Sports Private Limited	9,000,000	-
Techwave Infotech Pte Ltd	36,760	-
Transactions with Key Management Personal		
Remuneration to Managing Director and CEO	16,320,000	14,400,000
Interest on loan given by Managing Director and CEO	1,086,524	888,571
Number of Stock Options Granted/outstanding to Directors	1,200,000	1,000,000
Remuneration to other Key Management Personal	6,778,039	6,101,500
Number of Stock Options Granted/outstanding to Key Management Personal	540,000	17,000
Remuneration		
Mr. Gunapati Venkata Pranav Reddy	-	3,600,000

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.

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27 Related party disclosures (Continued …)

c) Balances outstanding:

Particulars	As at 31-Mar-21	As at 31-Mar-20
Trade and other payables		
Techwave Infotech Private Limited	52,309,927	52,373,300
Techwave Infotech Pte Ltd	36,760	-
Magica Sports Ventures Private Limited	-	8,700,000
Loan & Interest Payable		
Mapple Enterprises Private Limited	-	10,791,415
Mayuka Holdings Private Limited	425,095,167	388,856,964
IQuest Enterprises Private Limited	-	2,442,741
Ms. Asha Nimmagadda	-	20,261,094
Jaagruthi Infotech Private Limited	-	21,310,415
Mr. Venkata Sudhakar Simhadri	10,414,357	17,755,668

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, 2021, 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.

28 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 2021 and 31 March 2020 is given below

A Business Segment

	Year ended 31-Mar-21	Year ended 31-Mar-20
Revenue		
Semiconductor	902,297,000	760,306,727
Embedded	149,637,571	232,900,269
Total	**1,051,934,571**	**993,206,996**
Direct cost		
Semiconductor	640,201,875	636,437,251
Embedded	170,495,142	285,918,028
Segment operational income		
Semiconductor	262,095,125	123,869,476
Embedded	(20,857,571)	(53,017,759)
Total Operational income	**241,237,554**	**70,851,717**
Other Income	(17,273,828)	(17,825,045)
Less - Un allocated expenses	171,891,366	395,619,645
Finance charges	85,707,810	63,755,338
Depreciation and Amortisation expenses	91,797,575	93,748,352
Loss before tax	**(90,885,369)**	**(464,446,573)**
Tax expenses	622,241	(4,296,694)
Loss after tax	**(91,507,610)**	**(460,149,879)**

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

28 Segment information (Continued…..)

Statement of Segment assets and Segment liabilities

	As at 31-Mar-21	**As at 31-Mar-20**
Segment assets		
Semiconductor	1,034,258,006	1,034,330,025
Embedded	453,213,907	514,130,495
Un allocable segment assets	48,252,627	61,242,544
Total	**1,535,724,540**	**1,609,703,064**
Segment Liabilities		
Semiconductor	106,510,658	102,167,448
Embedded	39,797,043	72,461,533
Un allocable segment Liabilities	860,008,203	812,292,946
Total	**1,006,315,904**	**986,921,927**
Capital employed	**529,408,636**	**622,781,137**

For periods prior to 1 April 2020 the Group has identified Semiconductor and IoT segments as business segment based on nature of business. For period starting from 1 April 2020, the Group has changed the structure of internal reporting which has changed the composition of reportable segment and accordingly the Group has identified Semiconductor and Embedded as new business reportable segments. The new reportable segments are identified based on "type of technology" by considering its economic characteristics.

Accordingly, earlier year / period figures have been restated, to correspond with the current period's disclosure.

B. Secondary Segment information

1. Information regarding geographical revenue is as follows:	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Within India	611,981,908	560,432,804
Outside India	439,952,663	432,774,192
Total	**1,051,934,571**	**993,206,996**
2. Information regarding geographical non-current assets is as follows:	**As at 31-Mar-21**	**As at 31-Mar-20**
Within India	903,436,022	994,335,941
Outside India	36,280,503	37,020,932
Total	**939,716,525**	**1,031,356,873**

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.

29 Auditors' remuneration

Particulars	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Statutory audit fee	1,032,160	1,091,553
Tax audit fee	130,000	120,000
Other services	1,212,589	1,083,571
Total	**2,374,749**	**2,295,124**

30 Details of employee benefits as required by the IND AS-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. 10,822,267 (31 March 2020: 10,708,419) 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

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-Mar-21**	**As at 31-Mar-20**
Defined benefit obligation at the beginning of the year	**35,390,707**	**25,749,437**
Service cost	6,750,448	7,766,088
Interest cost	1,540,585	1,179,741
Benefits paid	(9,495,800)	(1,668,943)
Actuarial gain	7,530,864	2,364,384
Defined benefit obligation at the end of the year	**41,716,804**	**35,390,707**

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30 Gratuity (Continued.,)

Change in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	**340,882**	**1,454,442**
Employer Contributions	6,621,279	541,392
Interest income on Plan Assets	(144,165)	82,209
Actuarial (gain)/loss on plan assets	164,632	908
Others (Business combinations)		806,401
Benefits Paid	(6,371,279)	(2,544,470)
Fair value of plan assets at the end of the year	**611,349**	**340,882**
Present value of projected benefit obligation at the end of the year	41,716,804	35,390,707
Fair value of plan assets at the end of the year	611,349	340,882
Net liability recognised in the balance sheet	**41,105,455**	**35,049,825**
Non Current provision	32,198,383	22,832,211
Current provision	8,907,072	12,217,614
Expenses recognised in statement of profit and loss	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Service cost	6,750,448	7,766,088
Interest cost (Incl. Interest on asset)	1,684,750	1,179,741
Expenses recognised in statement of profit and loss	**8,435,198**	**8,945,829**
Gratuity cost		
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes -	-	(1,650,368)
Actuarial gain / (loss) due to financial assumption changes	799,945	1,903,110
Actuarial gain / (loss) due to experience adjustments	6,730,919	3,042,458
Return on plan assets greater (less) than discount rate	(164,631)	(908)
Total expenses routed through OCI	**7,366,233**	**3,294,292**

Assumptions	**As at 31-Mar-21**	**As at 31-Mar-20**
Discount rate	4.85%	5.40%
Future salary increases	7.00%	7.00%
Employee turnover		
Age Years		
21-30	32.18%	33.80%
31-40	35.96%	30.00%
41-50	15.96%	15.59%
51-59	21.86%	20.62%

Sensitivity Analysis

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

	As at 31-Mar-21	**As at 31-Mar-20**
Effect of + 1% change in rate of discounting	(1.92)%	(1.97)%
Effect of - 1% change in rate of discounting	2.00%	2.05%
Effect of + 1% change in rate of salary increase	1.77%	2.01%
Effect of - 1% change in rate of salary increase	(1.74)%	(1.95)%

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

31 Dues to Micro, small and medium enterprises

The Group sought the information from all the suppliers, 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 not reportable as required as per Sec 22(i) to (vi) of the MSMED Act, 2006 read with Schedule III of Companies Act, 2013.

32 Leases

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.

Expenses recognised in statement of profit and loss:

Particulars	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Cancellable operating lease expense	19,718,438	36,222,572
Non - cancellable operating lease expense	-	-
Total	**19,718,438**	**36,222,572**

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33 Earnings per share

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

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

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

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Loss for the year	(91,507,611)	(460,149,879)
Loss attributable to equity share holders	(91,507,611)	(460,149,879)
Equity Shares outstanding as at the end of the year (in nos.)	157,991,402	157,991,402
Weighted average number of Equity Shares used as a denominator for calculating Basic Earnings Per Share	157,991,402	157,565,829
Add: Dilutive impact of employee stock options	5,277,299	3,271,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	163,268,701	160,836,829
Earnings per share of par value ₹ 2 – Basic (₹)	(0.58)	(2.92)
Earnings per share of par value ₹ 2 – Diluted (₹)	(0.56)	(2.86)

34 Deferred Tax

Computation of Deferred Tax	Year ended 31-Mar-21	Year ended 31-Mar-20
Opening Balance	**540,537**	**(5,699,742)**
On account of amalgamation / acquisitions	-	(125,754)
Depreciation	(540,537)	6,366,032
Total Timing Difference	(540,537)	6,240,278
Net Deferred Tax Asset / (Liability)	**-**	**540,537**

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

Particulars	As at 31-Mar-21	As at 31-Mar-20
Deferred Tax Asset	-	549,663
Deferred Tax Liabilities	-	(9,126)
Net Deferred Tax Asset / (Liability)	**-**	**540,537**

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 Balances
Employee Benefits	472,407	-	(472,407)	-
Depreciation	(1,260,574)	-	1,260,574	-
Provisions	1,509,144	-	(1,509,144)	-
Other items	(180,440)	-	180,440	-
Net Deferred Tax Asset / (Liability)	**540,537**	**-**	**(540,537)**	**-**

Particulars	For the year ended 31 March 2020			
	Opening Balance	On account of amalgamation / acquisitions	Recognized current year	Closing Balances
Employee Benefits	472,407	-	-	472,407
Depreciation	(7,500,853)	(125,753)	6,366,032	(1,260,574)
Provisions	1,509,144	-	-	1,509,144
Other items	(180,440)	-	-	(180,440)
Net Deferred Tax Asset / (Liability)	**(5,699,742)**	**(125,753)**	**6,366,032**	**540,537**

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35 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 Group has granted options during the year ended 31 March 2020 in Moschip Stock Option Plan 2005 (MI) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2008 (ALR), Moschip Stock Option Plan 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:

	For Year Ended 31 March 2021					
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	1,096,500	250,000	199,000	491,000	1,000,000	-
Granted during the year	587,000	150,000	-	509,000	-	5,611,000
Forfeited during the year	253,500	-	174,000	50,000	-	214,000
Exercised during the year	-	-	-	-	-	-
Options outstanding at the end of the year	1,430,000	400,000	25,000	950,000	1,000,000	5,397,000

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2021 was "Not Applicable" (31 March 2020 – INR 13.34).

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

	31-Mar-21			31-Mar-20	
Grant date	20-Jul-20	26-Oct-18	12-Aug-15	26-Oct-18	12-Aug-15
Expiry date	19-Jul-27	24-Oct-25	11-Aug-22	24-Oct-25	11-Aug-22
Excise price	₹ 16.00	₹ 18.00	₹ 5.98	₹ 18.00	₹ 5.98
Share options	6,593,000	2,609,000	20,000	2,981,500	20,000

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

The model inputs for options granted during the year ended 31 March 2021 and 31 March 2020 included:

	31-Mar-21			31-Mar-20	
Grant Date	20-Jul-20	26-Oct-18	12-Aug-15	26-Oct-18	12-Aug-15
Expiry Date	19-Jul-27	24-Oct-25	11-Aug-22	24-Oct-25	11-Aug-22
Excise Price	₹ 16.00	₹ 18.00	₹ 5.98	₹ 18.00	₹ 5.98
Share Price at Grant date	₹ 13.80	₹ 22.00	₹ 5.98	₹ 22.00	₹ 5.98
Expected price volatility of the company’s shares	67%	58.33%	70.17%	72.67%	70.17%
Expected dividend yield	-	-	-	-	-
Risk free interest rate	5.13%	8.09%	6.60%	8.14%	6.60%

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

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36 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.

(a) Financial Instruments by category

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 *
Financial asset					
Trade receivables - Non current	28,672,507	-	-	-	28,672,507
Trade receivables - current	-	-	-	275,316,388	275,316,388
Cash and cash equivalents	-	-	-	57,818,026	57,818,026
Other bank balances	-	-	-	2,866,776	2,866,776
Loans	-	-	-	102,105,764	102,105,764
Other financial assets	-	-	-	1,901,833	1,901,833
Total	**28,672,507**	**-**	**-**	**440,008,787**	**468,681,294**
Financial liabilities					
Borrowings - long term	-	-	-	1,464,408	1,464,408
Other financial liabilities - Non current				37,584,034	37,584,034
Borrowings - short term	-	-	-	630,142,395	630,142,395
Trade payables	-	-	-	202,365,674	202,365,674
Other financial liabilities	-	-	-	729,130	729,130
Total	**-**	**-**	**-**	**872,285,641**	**872,285,641**

The carrying value and fair value of financial instruments by categories as at March 31, 2020 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value *
Financial asset					
Trade receivables - Non current	34,673,546	-	-	-	34,673,546
Trade receivables - Current	-	-	-	280,826,292	280,826,292
Cash and cash equivalents	-	-	-	32,054,220	32,054,220
Other bank balances	-	-	-	1,904,516	1,904,516
Loans	-	-	-	108,539,170	108,539,170
Other financial assets	-	-	-	2,027,172	2,027,172
Total	**34,673,546**	**-**	**-**	**425,351,370**	**460,024,916**
Financial liabilities					
Borrowings long term	-	-	-	1,754,331	1,754,331
Other financial liabilities - Non current	-	-	-	37,584,034	37,584,034
Borrowings short term	-	-	-	621,732,035	621,732,035
Trade payables	-	-	-	225,024,491	225,024,491
Other financial liabilities	-	-	-	803,518	803,518
Total	**-**	**-**	**-**	**886,898,409**	**886,898,409**

*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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36 Financial instruments (Continued.,)

(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, 2021 and March 31, 2020. 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, 2021 and March 31, 2020.

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 March 31, 2021 would decrease/increase by Rs. 6,962,658 (March 31, 2020: decrease/increase by Rs. 3,983,564). 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 ₹ 468,536,287 and ₹ 460,024,916 as of March 31, 2021 and March 31, 2020 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.

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36 Financial instruments (Continued.,)

(b) Financial risk management objectives and policies

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-Mar-21	As at 31-Mar-20
Balance at the beginning of the year	17,801,489	-
Movement in the expected credit loss allowance on trade receivables and other financial assets:		
Provided during the year	24,083,920	17,801,061
Reversed/utilised during the year	(1,538,744)	-
Translation Adjustment	(20,666)	428
Balance at the end of the year	**40,325,999**	**17,801,489**

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 22% 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 2021 and 31 March 2020:

	On demand	Less than 1 year	1-3 years	3 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings - long term		366,102	1,098,306	-	-	1,464,408
Other Financial Liabilities - long term	-	28,188,026	9,396,009	-	-	37,584,034
Borrowings - short term	630,142,395	-	-	-	-	630,142,395
Trade payables	202,365,674	-	-	-	-	202,365,674
Other Financial Liabilities - current	729,130	-	-	-	-	729,130
Year ended March 31, 2020						
Borrowings - long term	-	350,866	1,052,599	350,866	-	1,754,331
Other Financial Liabilities - long term	-	18,792,017	18,792,017	-	-	37,584,034
Borrowings - short term	621,732,035	-	-	-	-	621,732,035
Trade payables	225,024,491	-	-	-	-	225,024,491
Other Financial Liabilities - current	803,518	-	-	-	-	803,518

Impact of COVID-19 (Global pandemic)

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk. The Group continues to believe that there is no significant impact on Group financial statements.

S.T. Mohite & Co.
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Hyd.
Chartered Accountants

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

37 Capital Management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2021 and March 31, 2020 was as follows:

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Total equity attributable to the equity shareholders of the Company	529,408,636	622,781,137
As a percentage of total capital	46%	50%
Long term borrowings including current maturities	1,464,408	1,754,331
Short term borrowings	630,142,395	621,732,035
Total borrowings	631,606,803	623,486,366
As a percentage of total capital	54%	50%
Total capital (equity and borrowings)	1,161,015,439	1,246,267,503

38 Goodwill

Following is the summary of changes in carrying amount of goodwill:

	As at 31-Mar-21	**As at 31-Mar-20**
Balance at the beginning of the year	718,563,386	718,563,386
On addition/ acquisition during the year	-	-
Impairment of Goodwill	-	-
Balance at the end of the year	**718,563,386**	**718,563,386**

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.

39 For the year ended 31 March 2020, Exceptional item include bad debts written off amounted to Rs. 150,947,156, provision for doubtful debts amounted to Rs. 17,801,061 and Write-downs of inventories to net realisable value Rs. 4,947,413. The management has revised the provisioning policy and carried out detailed review of expected credit loss, which is warranted during the current period and made necessary provisions to present receivables at its fairly receivable levels. Some of the receivables and advances of the Group became bad due to liquidation and bankruptcy. hence, we had written of those account balances. Since these amounts are material and non-recurring nature, hence we have disclosed as an exceptional item.

40 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.

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Regd. No. 011410S
Hyd.
Chartered Accountants

MosChip Technologies Limited
Notes forming part of Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

41 Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure.

As per our report of even date attached
For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary

Place: Hyderabad
Date: 27 April 2021

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

MosChip Technologies Limited

Notes forming part of Consolidated Financial Statements

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

Annexure A

Disclosure of additional information in Consolidated Financial Statements as required in para II in general instructions as part III of division II to Schedule III to the Companies Act,2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss				Share in other comprehensive Income				Share in Total comprehensive Income			
	FY 2020-2021		FY 2019-2020		FY 2020-2021		FY 2019-2020		FY 2020-2021		FY 2019-2020		FY 2020-2021		FY 2019-2020	
	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 Total comprehensive income	Amount In Rs.	As % of consolidated Total comprehensive income	Amount In Rs.
Parent Company																
MosChip Technologies Limited	163.57%	865,962,867	142.45%	887,137,405	20.17%	(18,455,585)	59.42%	(273,416,568)	113%	7,458,468	65%	3,769,772	26.41%	(25,914,053)	59.49%	(277,186,339)
Subsidiaries																
Indian																
Maven Systems Private Limited	-55.78%	(295,284,576)	-38.88%	(242,152,137)	58.16%	(53,224,709)	21.16%	(97,352,177)	-1%	(92,235)	-8%	(475,480)	54.15%	(53,132,474)	20.79%	(96,876,698)
MosChip Institute of Silicon Systems Private Limited	-1.19%	(6,295,481)	1.01%	6,259,459	13.72%	(12,554,941)	-0.26%	1,186,751	-	-	-	-	12.80%	(12,554,941)	-0.25%	1,186,751
Foreign																
MosChip Technologies, USA	-5.58%	(29,559,886)	-7.28%	(45,343,249)	-16.42%	15,021,572	5.55%	(25,520,997)	-12%	(761,827)	43%	2,531,673	-16.09%	15,783,399	6.02%	(28,052,670)
Gigacom Semiconductor, LLC	0.00%	-	0.00%	-	0.00%		2.47%	(11,387,862)	0%	-	0%	-	0.00%	-	2.44%	(11,387,862)
Adjustment arising out of consolidation	-1.02%	(5,414,287)	2.71%	16,879,659	24.36%	(22,293,948)	11.66%	(53,659,026)	0%	-	0%	-	22.72%	(22,293,948)	11.52%	(53,659,026)
Total	**100%**	**529,408,636**	**100%**	**622,781,137**	**100%**	**(91,507,611)**	**100%**	**(460,149,879)**	**100%**	**6,604,406**	**100%**	**5,825,965**	**100%**	**(98,112,017)**	**100%**	**(465,975,844)**

S.T. Mohite & Co.,
Chartered Accountants
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Hyderabad - 500 027. T.S. INDIA.
Mob. : +91 9848994508, 9848359721
Email : stmohite@yahoo.com

Independent Auditors' Report

To the Members of
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, 2021, 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, 2021 and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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Key Audit Matters:

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers".	We assessed the company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ➢ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. ➢ Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. ➢ Performed the following procedures: • Analysed and identified the distinct performance obligations in the contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration
Acquisition of businesses within the Company are recognised and accounted in the books in accordance with Ind AS 103 Business Combinations. The application of the accounting standard involves key management judgements relating to recognition and the valuation of assets and liabilities acquired, at fair values and the resultant goodwill. Refer Note 39 to the Standalone Financial Statements. The carrying value of Goodwill resulting from such business combinations aggregated INR 44,41,50,372 as at March 31, 2021. Significant judgement is required by management in assessing the Goodwill impairment, if any, annually, which is determined using valuation techniques. The valuation is largely based on expected	• For assessing the impairment, we have verified the following: • Evaluated the internal sources and external sources of information to identify impairment indicators. • Assessed the reasonableness of key assumptions such as revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses used in development of free cash flows by the management. • Assessed the discount rates by making reference to comparable companies within the same industry. • Reviewed the management plans for the foreseeable future and events / factors which have an impact on the relevant business.

S.T. Mohite & Co. CA Regd. No. 011410S Chartered Accountants

Key Audit Matter	Auditor's Response
future cash flows, taking into account estimated growth rates and assumption with regard to discount rates. The assessment of impairment involves significant judgements and estimates. As such we consider this as a key audit matter	• Evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would impact impairment analysis. • We analysed the management approved financial projections considered for assessment of investments values and significant management assumptions involved. These projections were evaluated for sensitivity of significant assumptions considered, which will have adverse impact on the recoverable value of such investments. • Tested the accounting entries of business combinations for the acquisition entries recorded during the financial year to verify if these were in accordance with Ind AS 103.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards('Ind AS') and other accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that :
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

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

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

Place: Hyderabad
Date: 27th April 2021

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

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

ICAI:UDIN:21015635AAAACS6812

Annexure A to the Independent Auditors' Report

With reference to Annexure A as referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company on the standalone financial statement for the year ended 31 March 2021, we report the following:

Sl No.	Ref to CARO	Report by Independent Auditors
1	3(i)	**Fixed Assets**
	3(i)(a)	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
	3(i)(b)	The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified on annual basis, in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all fixed assets were physically verified during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
	3(i)(c)	The Company is not holding any immovable properties and accordingly clause 3(i)(c) of the Order is not applicable to the Company for the year under review.
2	3(ii)	**Inventories**
		As explained to us, the inventories has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no material discrepancies noticed on verification between the physical stock and the book records.
3	3(iii)	**Loans to parties covered by Sec.189 of the Companies Act,2013 ('the Act')**
		According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to body corporate, firms, Limited Liability Firms or other parties except to its subsidiary company, which is covered in the Register maintained under section 189 of the Act. Accordingly the provisions of the clause 3 (iii) of the Order are not applicable to the Company for the year under review.
4	3(iv)	**Loans, guarantees, securities to and investments in other companies**
		In our opinion and according to the information and explanation given to us, the company has transactions for compliance with the provisions of Sections 185 or 186 and complied with the provisions of Section 186 of the Act in respect of making investments.
5	3(v)	**Acceptance of deposits**
		In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year as per provisions of Section 73 or 76 of the Act and any other relevant provisions of the Act and the relevant Rules framed thereunder. Accordingly the provisions of the clause 3 (v) of the Order are not applicable to the Company for the year under review.
6	3(vi)	**Maintenance of cost records**
		According to the information and explanations given us, the maintenance of cost records prescribed the under section 148(1) of the Act read with Rule 3 of the Cost Audit Rules is not applicable to the company. Accordingly reporting under clause 3(vi) of the Order is not applicable to the Company for the year under review.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

7	3(vii)	**Statutory Dues**
	3(vii)(a)	According to the information and explanations given to us and on the basis of our examination of the record of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State insurance, Income Tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities except on certain occasions. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
	3(vii)(b)	According to the information and explanation given to us, there are no dues of statutory dues of Income tax, Goods and Service tax, Customs duty, Excise duty, Value added tax, cess and other dues have not been deposited by the Company on account of any disputes.
8	3(viii)	**Defaults in repayments to Financial Institutions/Banks/Debenture holders**
		In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment/repayments of loans or borrowings to the banks. The Company did not have any outstanding loans or borrowings from financial Institutions or Government.
9	3(ix)	**Initial public offer/further offer**
		In our opinion and according to the information and explanation given to us, the company, for the year under review, has not made any initial public offer or further public offer of securites (including debt instruments) and hence reporting under clause 3(ix) of the Order is not applicable to the company. However, company has raised by way of overdrafts/loans that have been applied by the company for which they were raised.
10	3(x)	**Frauds by or on the company**
		In our opinion and according to the information and explanation given to us, no material fraud on the Company or on the Company by its officers or employees has been noticed are reported during the course of our audit.
11	3(xi)	**Managerial Remuneration**
		In our opinion and according to the information and explanation given to us based on the examination of the records of the Company, the company has paid/provided managerial remuneration in accordance with the requisite compliances mandated by the provisions of section 197 read with schedule V to the Act.
12	3(xii)	**Nidhi company**
		In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company as prescribed under Section 406 of the Act and hence paragraph 3(xii) of the Order is not applicable to the company.
13	3(xiii)	**Transactions with Related parties**
		In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with provisions of section 177 and section 188 of the Act where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

14	3(xiv)	**Preferential allotment u/s 62 or private placement u/s 42 of the Act**
		During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
15	3(xv)	**Non-cash transactions with directors u/s 192 of the Act**
		In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non cash transactions with its Directors or persons connected to its Directors or persons connected with him and hence provisions of Sec 192 of the Act and paragraph 3(xv) of the Order are not applicable to the company.
16	3(xvi)	**Registration u/s 45-IA of RBI Act,1934**
		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 and hence paragraph 3(xvi) of the Order is not applicable to the company.

Place: Hyderabad
Date: 27th April 2021

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

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

ICAI:UDIN:21015635AAAACS6812

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to standalone financial statements of MosChip Technologies Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Hyderabad
Date: 27th April 2021

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

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

ICAI:UDIN:21015635AAAACS6812

MosChip Technologies Limited
Standalone Balance Sheet
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	As at 31-Mar-21	As at 31-Mar-20
ASSETS			
Non-current assets			
Property, plant and equipment	4	56,960,102	90,083,153
Goodwill	39	444,150,372	444,150,372
Other Intangible assets	5	8,072,582	15,269,398
Financial assets			
Investment	6	338,853,023	338,853,023
Trade receivables	8	28,672,507	34,673,546
Deferred tax assets (Net)	36	-	312,681
		876,708,586	**923,342,173**
Current assets			
Inventories	7	-	1,352,176
Financial assets			
Trade receivables	8	379,353,766	328,762,170
Cash and cash equivalents	9 (a)	21,087,529	30,478,393
Other bank balances	9 (b)	2,866,776	1,904,516
Loans	10	348,444,437	342,361,436
Other financial assets	11	1,441,833	1,427,172
Current tax assets (net)		44,325,500	57,842,070
Other current assets	12	88,201,443	58,539,733
		885,721,284	**822,667,666**
Total assets		**1,762,429,870**	**1,746,009,839**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	315,587,864	315,587,864
Other equity	14	550,375,003	571,549,541
Total equity		**865,962,867**	**887,137,405**
Non-current liabilities			
Provisions	15	41,673,450	26,076,465
Financial Liabilities			
Borrowings	17	1,464,408	1,754,331
Other financial liabilities	16	37,584,034	37,584,034
		80,721,892	**65,414,830**
Current liabilities			
Financial Liabilities			
Borrowings	17	593,009,727	592,210,154
Trade payables	18		
(a) total outstanding dues of micro and small enterprises			
(b) total outstanding dues other than (a) above		143,297,787	147,687,503
Other financial liabilities	16	729,130	803,518
Other current liabilities	19	62,268,361	36,835,708
Provisions	15	16,440,106	15,920,721
		815,745,111	**793,457,604**
Total liabilities		**896,467,003**	**858,872,434**
Total equity and liabilities		**1,762,429,870**	**1,746,009,839**
See accompanying notes forming part of the Standalone Financial Statements	1 to 41		

As per our report of even date attached
For S T Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 38391

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Standalone Statement of Profit and Loss
(All amounts in Indian Rupees, except share data and where otherwise stated)

		Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
I	**Income**			
	Revenue from operations	20	840,847,154	633,516,544
	Other income	21	33,682,882	30,739,216
	Total Income		**874,530,036**	**664,255,760**
II	**Expenses**			
	Cost of material consumed	22	7,017,657	9,243,823
	Other operating expenses	23	66,295,247	57,790,064
	Employee benefits expenses	24	617,100,819	600,578,048
	Finance costs	25	83,282,377	52,446,205
	Depreciation and amortisation expense	5a	45,996,391	47,330,055
	Other expenses	26	72,980,449	66,171,843
	Total expense		**892,672,940**	**833,560,038**
III	**Loss before exceptional and tax (I - II)**		(18,142,904)	(169,304,278)
IV	Exceptional Item	27	-	103,963,226
V	**Loss before tax (III - IV)**		**(18,142,904)**	**(273,267,504)**
VI	Tax expense			
	Tax adjustments for earlier years		-	149,063
	Deferred tax	36	312,681	-
	Total tax expense		**312,681**	**149,063**
VII	**Loss after tax (V - VI)**		**(18,455,585)**	**(273,416,567)**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	Remeasurements of the defined benefit liabilities - (gain) / loss	32	7,458,468	3,769,772
	Total other comprehensive expenses		**7,458,468**	**3,769,772**
IX	**Total comprehensive loss for the year (VII - VIII)**		**(25,914,053)**	**(277,186,339)**
	Earnings per equity share (nominal value of INR 2) in INR	35		
	Basic		(0.12)	(1.74)
	Diluted		(0.11)	(1.70)
	See accompanying notes forming part of the Standalone Financial Statements	1 to 41		

As per our report of even date attached
For S T Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 38391

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited

Standalone Statement of Cash Flows

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

	Year ended 31-Mar-21	Year ended 31-Mar-20
A Cash flow from operating activities		
Loss before tax	(18,142,904)	(273,267,504)
Adjustments for:		
Depreciation of property, plant and equipment	37,354,487	35,123,200
Amortisation of intangible assets	8,641,904	12,206,855
Interest income	(22,703,819)	(20,123,450)
Write back of liabilities	(9,144,068)	-
Finance costs	83,282,377	52,446,205
Allowances for Doubtful Receivables and Bad Debts written off (net)	18,335,499	103,963,226
Unrealized Exchange (Gain)/ Loss (net)	2,888,500	(4,464,723)
Amortisation of Share based payment cost	4,739,515	17,144,592
Provision for employee benefits	16,807,055	8,678,530
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(71,815,595)	2,976,241
(Increase)/ decrease in inventories	1,352,176	1,683,697
(Increase)/ decrease in Loan	14,655,424	(60,294,958)
(Increase)/ decrease in trade receivables Non Current	6,001,039	12,421,118
(Increase)/ decrease in Other current assets	(29,661,710)	(11,312,774)
Increase/ (decrease) in Provisions	(8,149,153)	(2,131,908)
Increase/ (decrease) in Trade Payable	4,754,352	2,032,125
Increase/ (decrease) in current liabilities	25,432,653	9,476,220
Cash generated from / (used in) operating activities before taxes	**64,627,732**	**(113,443,308)**
Income tax paid	13,516,570	517,103
Net cash flows from / (used in) operating activities (A)	**78,144,302**	**(112,926,205)**
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(4,305,824)	(7,648,878)
Purchase of intangible assets	(1,445,088)	(45,000)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(962,260)	263,020
Interest received (finance income)	1,950,733	3,445,942
Net cash flows used in investing activities (B)	**(4,762,439)**	**(3,984,916)**
C Cash flow from financing activities		
Proceeds from issue of share capital	-	41,798,256
Proceeds / (repayment) from short term borrowings, net	19,077,112	108,790,583
Finance cost paid	(101,849,839)	(18,638,755)
Net cash flows from/ (used in) financing activities (C)	**(82,772,727)**	**131,950,084**
Net (Decrease) / increase in cash and cash equivalents during the year (A+B+C)	**(9,390,864)**	**15,038,963**
Cash and cash equivalents at the beginning of the year	30,478,393	15,439,430
Cash and cash equivalents at the end of the year (refer note 9(a))	**21,087,529**	**30,478,393**

See accompanying notes forming part of the Standalone Financial Statements 1 to 41

As per our report of even date attached
For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 38391

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Standalone Statement of Changes in Equity
(All amounts in Indian Rupees, except share data and where otherwise stated)

a. Equity Share Capital

Equity shares of INR 2 each issued, subscribed and fully paid-up

As of 1 April 2019		Change in equity share capital during the year		As at 31 March 2020	
Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
153,910,377	307,820,754	3,883,555	7,767,110	157,793,932	315,587,864
As of 1 April 2020		**Change in equity share capital during the year**		**As at 31 March 2021**	
Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
157,793,932	315,587,864	-	-	157,793,932	315,587,864

b. Other equity

Particulars	Money received against warrants	Reserves and Surplus				Other Comprehensive Income	Total
		Capital reserve	Securities Premium	Share option outstanding account	Retained Earnings	Remeasurement of the net defined benefit plans	
Balance as at 1 April 2019	**220,002,129**	**8,687,407**	**1,232,944,974**	**9,766,252**	**(667,468,855)**	**(6,371,765)**	**797,560,142**
Loss for the year	-	-	-	-	(273,416,567)	-	(273,416,567)
Other comprehensive income (Net)	-	-	-	-	-	(3,769,772)	(3,769,772)
Total comprehensive income for the year	-	-	-	-	**(273,416,567)**	**(3,769,772)**	**(277,186,339)**
Conversion of warrants to equity shares	(159,999,975)		152,888,865				(7,111,110)
Forfeiture of amount received on warrants	(100,002,148)	100,002,148	-	-	-	-	-
Received on exercise of stock options	-	-	1,142,260	-	-	-	1,142,260
Reclassification of actuarial gain / loss to retained earnings	-	-	-	-	(5,466,427)	5,466,427	-
Transfer from share option outstanding account on exercise of stock options	-	-	886,830	(886,830)	-	-	-
Amortised amount of share based payments to employees	-	-	-	17,144,594	-	-	17,144,594
Issue of warrants	39,999,994	-	-	-	-	-	39,999,994
Balance as at 31 March 2020	-	**108,689,555**	**1,387,862,929**	**26,024,016**	**(946,351,849)**	**(4,675,110)**	**571,549,541**
Loss for the year	-	-	-	-	(18,455,585)	-	(18,455,585)
Other comprehensive income (Net)	-	-	-	-	-	(7,458,468)	(7,458,468)
Total comprehensive income for the year	-	-	-	-	**(18,455,585)**	**(7,458,468)**	**(25,914,053)**
Amortised amount of share based payments to employees (net)	-	-	-	4,739,515	-	-	4,739,515
Balance as at 31 March 2021	-	**108,689,555**	**1,387,862,929**	**30,763,531**	**(964,807,434)**	**(12,133,578)**	**550,375,003**

See accompanying notes forming part of the Standalone Financial Statements 1 to 41

As per our report of even date attached

For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 38391

Place: Hyderabad
Date: 27 April 2021

MosChip Technologies Limited
Notes forming part of the Standalone Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

1 Corporate Information

MosChip Technologies Limited (‘the Company’) was incorporated in 1999 as a private limited company under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) in 2001. The Registered office of the Company is situated at 7th Floor, "My Home Twitza", Hyderabad Knowledge City, Hyderabad, Telangana 500081. which is its principal place of business. Oshin Global Pte Limited is the holding Company and EIJI Holdings Pte Limited is the ultimate holding company of the Company.

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

The Standalone Financial Statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on 27 April 2021.

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.

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

2.3 Operating cycle

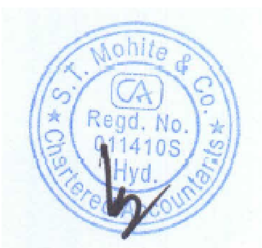
All the assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

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.
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

(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.

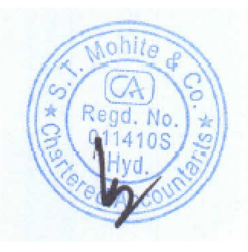
(v) Business combinations and intangible assets

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 Companys 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.



MosChip Technologies Limited

Notes forming part of the Standalone Financial Statements

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

2.4 Use of Estimates (Continued.,)

Critical accounting estimates (Continued.,)

(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

(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

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 it working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

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

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

Useful lives of depreciable assets *	**Useful Life**
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

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.

Leased improvements are amortized over the shorter of estimated useful life of the asset or 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

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2.6 Leases

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

2.7 Impairment of assets

(i) Financial assets

The Group 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 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.

2.8 Inventories

Components and parts:

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

Finished Goods:

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

Projects in Progress / Work in Progress:

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

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2.9 Revenue recognition

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

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

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

• Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at tl 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

• 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.

• 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.

• 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.

• 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 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.

(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.

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2.11 Financial instruments (Continued.,)

(i) Non-derivative financial instruments: (Continued.,)

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.

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.

2.12 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 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 and long term service awards 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 consolidated statement of profit and loss during the period when the employee renders the

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Notes forming part of the Standalone Financial Statements

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

2.13 Taxation

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

Current tax

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

Deferred tax

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

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

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

2.14 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 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.

2.15 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 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 Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

a Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

b Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c Specified format for disclosure of shareholding of promoters

d Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

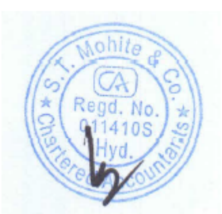
e If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used

f Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

a Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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

4 Property, plant and equipment

Particulars	Mask Tools	Electrical Installation	Leasehold improvements	Lab Equipment's	Plant and Machinery	Furniture and fixtures	Office equipment's	Computers	Vehicles	Total Tangible Assets
Cost										
At 1 April 2019	**147,909,544**	**448,025**	**10,912,544**	**2,150,527**	**1,571,997**	**4,768,978**	**4,775,791**	**7,113,618**	**5,256,395**	**184,907,419**
Additions	-	-	-	-	462,925	2,991,118	432,374	3,788,041	-	7,674,458
At 31 March 2020	**147,909,544**	**448,025**	**10,912,544**	**2,150,527**	**2,034,922**	**7,760,096**	**5,208,165**	**10,901,659**	**5,256,395**	**192,581,877**
Additions	-	-	-	2,694,857	-	-	-	1,822,667	-	4,517,524
Deletions	-	448,025	10,912,544	-	1,541,222	5,598,352	3,346,639	1,366,126	275	23,213,183
At 31 March 2021	**147,909,544**	**-**	**-**	**4,845,384**	**493,700**	**2,161,744**	**1,861,526**	**11,358,200**	**5,256,120**	**173,886,218**
Accumulated depreciation										
At 1 April 2019	**44,413,387**	**448,025**	**9,826,948**	**723,350**	**1,089,632**	**2,835,711**	**2,647,935**	**4,833,937**	**556,599**	**67,375,524**
Charge for the year	29,581,908	-	1,047,290	425,415	170,499	678,393	608,090	1,963,705	647,900	35,123,200
At 31 March 2020	**73,995,295**	**448,025**	**10,874,238**	**1,148,765**	**1,260,131**	**3,514,104**	**3,256,025**	**6,797,642**	**1,204,499**	**102,498,724**
Charge for the year	29,662,955	-	38,308	877,446	381,774	2,423,167	1,282,742	2,040,494	647,601	37,354,487
Deletions	-	448,025	10,912,546	-	1,541,222	5,314,452	3,344,457	1,366,118	275	22,927,095
At 31 March 2021	**103,658,250**	**-**	**-**	**2,026,211**	**100,683**	**622,819**	**1,194,310**	**7,472,018**	**1,851,825**	**116,926,116**
Carrying amount										
At 1 April 2019	103,496,157	-	1,085,596	1,427,177	482,365	1,933,267	2,127,856	2,279,681	4,699,796	117,531,895
At 31 March 2020	73,914,249	-	38,306	1,001,762	774,791	4,245,992	1,952,140	4,104,017	4,051,896	90,083,153
At 31 March 2021	**44,251,294**	**-**	**-**	**2,819,173**	**393,017**	**1,538,925**	**667,216**	**3,886,182**	**3,404,295**	**56,960,102**

5 Intangible assets

Particulars	Design & Development	Software	Total Intangible assets
Cost			
At 1 April 2019	**40,899,580**	**700,699**	**41,600,279**
Additions / (Transfer)	-	45,000	45,000
At 31 March 2020	**40,899,580**	**745,699**	**41,645,279**
Additions / (Transfer)	1,445,088	-	1,445,088
Deletions	-	745,699	745,699
At 31 March 2021	**42,344,668**	**-**	**42,344,668**
Accumulated amortisation			
At 1 April 2019	**13,781,966**	**387,060**	**14,169,026**
Charge for the year	12,107,453	99,402	12,206,855
At 31 March 2020	**25,889,419**	**486,462**	**26,375,881**
Charge for the year	8,382,667	259,237	8,641,904
Deletion	-	745,699	745,699
At 31 March 2021	**34,272,086**	**-**	**34,272,086**
Carrying amount			
At 1 April 2019	27,117,614	313,639	27,431,253
At 31 March 2020	15,010,161	259,237	15,269,398
At 31 March 2021	**8,072,582**	**-**	**8,072,582**

5a Depreciation and amortisation expense

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Depreciation	37,354,487	35,123,200
Amortisation	8,641,904	12,206,855
Total	**45,996,391**	**47,330,055**

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Notes forming part of Standalone Financial Statements

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

	As at 31-Mar-21	As at 31-Mar-20
6 Investments		
Non-current		
Carried at cost		
Unquoted fully paid equity shares		
Investments in subsidiaries		
8,325,770 (31 March 2020: 8,325,770) equity shares in MosChip Technologies, USA	262,053,023	262,053,023
10,000 (31 March 2020: 10,000) equity shares of ₹ 10 each in Maven Systems Private Limited	56,800,000	56,800,000
10,000(31 March 2020: 10,000) equity share of Rs. 10 each in MosChip Institute of Silicon Systems Private Limited	20,000,000	20,000,000
	338,853,023	**338,853,023**
7 Inventories *		
Inventories consist of the following:		
Hardware and Product Component for IoT	-	1,352,176
	-	**1,352,176**
* Inventories are carried at the lower of cost and net realisable value.		
8 Trade receivables		
Non Current		
Unsecured, considered good	28,672,507	34,673,546
	28,672,507	**34,673,546**
Less: Allowance	-	-
	28,672,507	**34,673,546**
Current		
Unsecured, considered good *	490,534,086	424,325,830
	490,534,086	**424,325,830**
Less: Allowance	(111,180,320)	(95,563,660)
	379,353,766	**328,762,170**
* Includes dues from subsidiaries (refer note 29)	258,006,398	250,363,399
9 (a) Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- in Current account	10,624,262	20,563,286
- in Deposit account	10,463,267	9,915,107
	21,087,529	**30,478,393**
9 (b) Other bank balances		
Term deposits with Banks with original maturities of less than 1 year*	2,866,776	1,904,516
	2,866,776	**1,904,516**
* Balances held as Margin Money/Security deposit represents the deposits lodged with Banks against Guarantees issued by them.		
10 Loans - current		
Unsecured, considered good		
Security deposits	100,068,982	104,785,981
Loans to subsidiaries (refer note 29)	248,375,455	237,575,455
	348,444,437	**342,361,436**
11 Other current financial assets		
Unsecured, considered good		
Earnest Money Deposits	1,381,521	1,381,521
Interest accrued on deposits	60,312	45,651
	1,441,833	**1,427,172**

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Notes forming part of Standalone Financial Statements

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

	As at 31-Mar-21	As at 31-Mar-20
12 Other current assets		
Unsecured, considered good		
Advances to employees	31,446	-
Balances with Government Authorities	-	1,517,890
Indirect tax recoverable	34,262	1,239
Advance to Vendors	5,674,555	1,792,171
Prepaid expenses	8,113,253	7,435,203
Unbilled revenue	74,347,927	47,793,230
	88,201,443	**58,539,733**
13 Equity share capital		
Authorised Share Capital		
282,705,000 (31 March 2020: 282,705,000) equity shares of Rs.2 each	565,410,000	565,410,000
Issued, subscribed and fully paid-up		
157,991,402(31 March 2020: 157,991,402) equity shares of Rs.2/- each fully paid-up	315,982,804	315,982,804
Less: 197,470 (31 March 2020: 197,470) Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	(394,940)	(394,940)
Adjusted: Issued, subscribed and fully paid-up	**315,587,864**	**315,587,864**

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

Particulars	31-Mar-21		31-Mar-20	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	157,991,402	315,982,804	154,148,847	308,297,694
Issued during the year	-	-	3,842,555	7,685,110
Total	**157,991,402**	**315,982,804**	**157,991,402**	**315,982,804**
Less: Equity shares of Rs. 2/- each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	197,470	394,940	197,470	394,940
Adjusted : Issued, Subscribed and Paid up Share Capital	**157,793,932**	**315,587,864**	**157,793,932**	**315,587,864**

(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-Mar-21		As at 31-Mar-20	
	No. of equity shares held	% holding #	No. of equity shares held	% holding #
Oshin Global Pte Ltd	81,531,739	51.61%	81,531,739	51.61%
EIJI Holdings Pte Limited (Ultimate holding Company)	196,000	0.12%	196,000	0.12%

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

(d) Of the above issued shares 81,531,739 (31 March 2020 - 81,531,739) equity shares held by holding company namely Oshin Global Pte Ltd and 196,000 (31 March 2020 - 196,000) equity shares are held by Ultimate holding Company namely EIJI Holdings Pte Limited.

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

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Notes forming part of Standalone Financial Statements

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

		As at 31-Mar-21	As at 31-Mar-20
14	**Other equity**		
a)	**Money received against warrants**		
	Opening balance	-	220,002,129
	Forfeiture of amount received on warrants	-	(100,002,148)
	Issue of share warrants	-	39,999,994
	Conversion of warrants to equity shares	-	(159,999,975)
	Closing balance	-	-
b)	**Capital Reserve**		
	Opening balance	108,689,555	8,687,407
	Forfeiture of amount received on warrants	-	100,002,148
	Closing balance	**108,689,555**	**108,689,555**
	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.		
c)	**Securities Premium**		
	Opening balance	1,387,862,929	1,232,944,974
	Conversion of warrants to equity shares	-	152,888,865
	Transfer from share option outstanding account on exercise of stock options	-	886,830
	Received on exercise of stock options	-	1,142,260
	Closing balance	**1,387,862,929**	**1,387,862,929**
	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.		
d)	**Share option outstanding account**		
	Opening balance	26,024,016	9,766,252
	Amortisation of Share based payment cost	4,739,515	17,144,594
	Transfer from share option outstanding account on exercise of stock options	-	(886,830)
	Closing balance	**30,763,531**	**26,024,016**
	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.		
e)	**Retained earnings**		
	Opening balance	(946,351,849)	(667,468,855)
	Reclassification of actuarial gain / (loss) to retained earnings	-	(5,466,427)
	Loss for the year	(18,455,585)	(273,416,567)
	Closing balance	**(964,807,434)**	**(946,351,849)**
f)	**Other Comprehensive Income**		
	Remeasurement of the net defined benefit plans		
	Opening balance	(4,675,110)	(6,371,765)
	Reclassification of actuarial (gain) / loss to retained earnings		5,466,427
	Additions during the year	(7,458,468)	(3,769,772)
	Closing balance	**(12,133,578)**	**(4,675,110)**
	Total other equity	**550,375,003**	**571,549,541**
15	**Provisions**		
	Non-Current		
	Provision for employee benefits		
	- Gratuity (refer note 32)	31,344,677	22,147,776
	- Compensated absences	10,328,773	3,928,689
		41,673,450	**26,076,465**
	Current		
	Provision for employee benefits		
	- Gratuity (refer note 32)	8,883,877	9,040,813
	- Compensated absences	7,556,229	6,879,908
		16,440,106	**15,920,721**

	As at 31-Mar-21	As at 31-Mar-20
16 Other financial liabilities		
Non Current		
Royalty Payable	37,584,034	37,584,034
	37,584,034	**37,584,034**
Current		
Capital creditors	729,130	803,518
	729,130	**803,518**
17 Borrowings		
Non current- Borrowings		
Measured at amortised cost		
Secured		
Vehicle loans (refer note i)	1,464,408	1,754,331
	1,464,408	**1,754,331**
Current- Borrowings		
Measured at amortised cost		
Unsecured		
- From banks (refer note ii)	167,914,560	148,547,525
- From related parties (refer note 29)	425,095,167	443,662,629
	593,009,727	**592,210,154**

Note

i. Vehicle Loans are secured by first charge and hypothecation of vehicles. Such loans are repayable over a period of 84 months and carry interest rate at 9.40% p.a.

ii. The Company has obtained Over Draft facility from bank for an amount of Rs.15.00 crores, which is secured by charge on time deposit of third party offered as collateral security. During the current year, the bank has sanctioned Rs. 2.88 crores of additional loan under the scheme of ECLGS.

	As at 31-Mar-21	As at 31-Mar-20
18 Trade payables		
(a) total outstanding dues of micro and small enterprises (refer note33)		
(b) total outstanding dues other than (a) above	143,297,787	147,687,503
	143,297,787	**147,687,503**
19 Other current liabilities		
Statutory liabilities	61,452,655	35,847,126
Revenue received in advance	815,706	988,582
	62,268,361	**36,835,708**

MosChip Technologies Limited

Notes forming part of Standalone Financial Statements

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

		Year ended 31-Mar-21	Year ended 31-Mar-20
20	**Revenue from operations**		
	Semiconductor services & Products	728,756,156	551,220,213
	Embedded services & Products	112,090,998	82,296,331
		840,847,154	**633,516,544**
21	**Other income**		
	Interest income	21,527,561	16,859,924
	Interest on Income-tax refund	1,176,258	3,263,526
	Interest Income on financial assets carried at fair value	4,063,308	4,527,476
	Foreign Exchange Gain / (Loss) (Net)	(3,928,313)	4,801,210
	Write back of liabilities	9,144,068	-
	Others	1,700,000	1,287,080
		33,682,882	**30,739,216**
22	**Cost of material consumed**		
	Opening stock	1,352,176	3,035,873
	Add: Purchases during the year	5,665,481	7,560,126
	Less: Closing stock	-	1,352,176
		7,017,657	**9,243,823**
23	**Other operating expenses**		
	Outsourcing Services	17,302,388	21,137,843
	Software tools cost	32,351,969	18,962,550
	Installation & data charges	8,372,178	7,826,603
	Job work charges	8,268,712	9,744,752
	Other expenses	-	118,316
		66,295,247	**57,790,064**
24	**Employee benefits expense**		
	Salaries, wages and bonus	585,741,815	551,100,210
	Contribution to provident, gratuity and other funds	19,524,516	19,023,371
	Share based payment expenses	4,739,515	17,144,592
	Staff welfare expenses	7,094,973	13,309,875
		617,100,819	**600,578,048**
25	**Finance costs**		
	Interest on working capital loan	13,473,427	14,115,065
	Interest on other loans	68,974,604	37,563,835
	Bank charges	834,346	767,305
		83,282,377	**52,446,205**

MosChip Technologies Limited

Notes forming part of Standalone Financial Statements

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

		Year ended 31-Mar-21	Year ended 31-Mar-20
26	**Other expenses**		
	Software expenses	900,014	614,799
	Power and fuel	2,113,471	4,588,444
	Director sitting fee	1,194,000	1,500,000
	Repairs and maintenance	309,592	1,096,211
	Auditors remuneration (refer note 31)	604,700	344,500
	Postage, telegram and telephone expenses	290,584	321,481
	Lease rentals (refer note 34)	14,294,662	20,324,749
	Rent on equipment's	3,045,470	3,675,275
	Business promotion and advertisement expenses	9,085,160	2,602,063
	Security expenses	451,596	937,329
	Travelling and conveyance	1,172,511	7,281,650
	Rates and taxes	1,039,684	304,102
	Professional charges	4,193,231	8,910,043
	Printing and stationary	48,043	304,952
	Communication expenses	1,698,782	1,795,674
	Insurance	336,455	432,226
	Office maintenance	3,764,460	3,950,586
	General expenses	9,655,035	5,835,708
	Subscriptions to trade and other associations	447,500	1,352,051
	Allowances for Doubtful Receivables and Bad Debts written off (net)	18,335,499	-
		72,980,449	**66,171,843**

27	**Exceptional Item (refer note 40)**		
	Bad debts written off	-	48,399,566
	Allowances for Doubtful Receivables and Bad Debts written off (net)	-	55,563,660
		-	**103,963,226**

MosChip Technologies Limited
Notes forming part of Standalone Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

28 Contingent liabilities and commitments

	Particulars	As at 31-Mar-21	As at 31-Mar-20
i)	Contingent liabilities:		
	- Corporate guarantees	2,866,776	1,904,516

29 Related party disclosures

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

Name of the parties	Relation as on 31 March 2021
Holding and Subsidiary Companies	
EIJI Holding Pte Limited	Ultimate Holding Company
Oshin Global Pte Limited	Holding Company
Maven Systems Private Limited	Wholly owned subsidiary
MosChip Technologies, USA	Wholly owned subsidiary
MosChip Institute of Silicon Systems Private Limited	Wholly owned subsidiary
Directors and relatives *	
Mr. K Ramachandra Reddy	Non-Executive Director.
Mr. Damodar Rao Gummadapu	Non-Executive Director.
Mrs. Asha Nimmagadda	Relative of Promoter of Holding company
Mr. Gunapati Venkata Pranav Reddy	Relative of Promoter of Holding company
Key Management Personnel and relatives *	
Mr. Venkata Sudhakar Simhadri - Managing Director and Chief Executive Officer	Key Management Personnel
Mr. Jayaram Susarla - Chief Financial Officer	Key Management Personnel
Mr. Suresh Bachalakura - Company Secretary	Key Management Personnel
Others *	
IQuest Enterprises Private Limited	Common Shareholder through Holding Company
Mapple Enterprises Private Limited	Common Shareholder through Holding Company
Mayuka Holdings Private Limited	Common Shareholder through Holding Company
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 Pvt Ltd	Director has significant influence
* In terms of Para 18 of Ind AS 24, the above list represents only the directors, KMP's and relatives, who are having transactions with the Company	
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.	

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

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Revenue from operations		
MosChip Technologies, USA	186,045,951	99,269,459
Gigacom Semiconductor, LLC	-	56,494,810
Maven Systems Private Limited	-	876,142
Reimbursement of expenses		
Maven Systems Private Limited (Purchases)	-	286,143
Loans received from		
Mapple Enterprises Private Limited	-	10,000,000
Mayuka Holdings Private Limited	10,000,000	183,000,000
Allotment of equity shares / warrants		
Mr. K Ramachandra Reddy (Preferential allotment) (3,555,555 shares @ 45	-	40,000,000
Loans - Repayment		
Jaagruthi Info Technologies Private Limited	10,000,000	40,000,000
Mr. K Ramachandra Reddy	-	40,000,000
Loans given to		
Maven Systems Private Limited (net)	10,800,000	53,823,717
Interest Income		
Maven Systems Private Limited	20,738,425	16,764,157

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Notes forming part of Standalone Financial Statements

29 Related party disclosures (Continued …**)**

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

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Interest expenses		
Jaagruthi Info Technologies Private Limited	1,629,342	4,676,710
Ms. Asha Nimmagadda	9,000,003	9,024,660
Mapple Enterprises Private Limited	-	6,243,616
Mayuka Holdings Private Limited	58,345,259	17,618,849
Other expenses / (Income)		
Magica Sports Ventures Private Limited	(6,144,068)	2,500,000
Blaster Sports Private Limited	9,000,000	-
Techwave Infotech Pte Ltd	36,760	-
Remuneration		
Mr. Gunapati Venkata Pranav Reddy	-	3,600,000
Transactions with Key Management Personnel		
Remuneration to Managing Director and CEO	16,320,000	14,400,000
Number of Stock Options Granted/outstanding to Key Management Personal	1,200,000	1,000,000
Remuneration to other Key Management Personal	6,778,039	6,101,500
Number of Stock Options Granted/outstanding to Key Management Personal	540,000	17,000

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

c) Balances outstanding:

Particulars	As at 31-Mar-21	As at 31-Mar-20
Techwave Infotech Private Limited (Payable - trade advance)	49,263,975	49,263,975
Techwave Infotech Pte Ltd (payable)	36,760	-
MosChip Technologies, USA (Receivables (Net))	157,147,920	172,814,706
Maven Systems Private Limited (Receivables)	100,858,478	77,548,693
MosChip Institute of Silicon Systems Private Limited, Advance / (Payable)	8,447,774	(2,608,766)
Maven Systems Private Limited (Loan given)	248,375,455	237,575,455
Magica Sports Ventures Private Limited (Trade payable)	-	8,700,000
Loan and Interest Payable		
Mapple Enterprises Private Limited	-	10,791,415
Mayuka Holdings Private Limited	425,095,167	388,856,964
Jaagruthi Infotech Private Limited	-	21,310,415
Ms. Asha Nimmagadda	-	20,261,094
IQuest Enterprises Private Limited	-	2,442,741

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, 2021, 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.

30 Segment information

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the management evaluates the Companies performance and allocates resources based on an analysis of various performance indicators by business segments 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.

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Notes forming part of Standalone Financial Statements

30 Segment information (Continued….)

Information on reportable segments for the year ended 31 March 2021 and 31 March 2020 is given below

Business Segment

	Year ended 31-Mar-21	Year ended 31-Mar-20
Revenue		
Semiconductor	728,756,138	551,220,213
Embedded	112,091,016	82,296,331
Total	**840,847,154**	**633,516,544**
Direct cost		
Semiconductor	486,895,185	454,132,213
Embedded	133,246,032	143,753,331
Segment operational income		
Semiconductor	241,860,953	97,088,242
Embedded	(21,155,016)	(61,456,869)
Total Operational income	**220,705,937**	**35,631,373**
Other Income	(33,682,882)	(30,739,216)
Less - Un allocated expenses	143,252,955	239,861,833
Finance charges	83,282,377	52,446,205
Depreciation and amortisation expenses	45,996,391	47,330,055
Loss before tax	**(18,142,904)**	**(273,267,504)**
Tax expenses	312,681	149,063
Loss after tax	**(18,455,585)**	**(273,416,567)**

Statement of Segment assets and Segment liabilities

	As at 31-Mar-21	As at 31-Mar-20
Segment assets		
Semiconductor	1,011,161,028	1,039,359,185
Embedded	703,082,968	645,668,330
Un allocable segment assets	48,185,874	60,982,324
Total	**1,762,429,870**	**1,746,009,839**
Segment Liabilities		
Semiconductor	55,803,693	65,176,288
Embedded	12,878,706	12,188,608
Un allocable segment Liabilities	827,784,604	781,507,538
Total	**896,467,003**	**858,872,434**
Capital employed	**865,962,867**	**887,137,405**

For periods prior to 1 April 2020 the Company has identified Semiconductor and IoT segments as business segment based on nature of business. For period starting from 1 April 2020, the Company has changed the structure of internal reporting which has changed the composition of reportable segment and accordingly the Company has identified Semiconductor and Embedded as new business reportable segments. The new reportable segments are identified based on "type of technology" by considering its economic characteristics.

Accordingly, earlier year / period figures have been restated, to correspond with the current period's disclosure.

31 Auditors' remuneration

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Statutory audit fee	300,000	250,000
Tax audit	90,000	75,000
Other services	214,700	19,500
Total	**604,700**	**344,500**

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Notes forming part of Standalone Financial Statements

32 Details of employee benefits as required by the IND AS-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. 10,624,033(31 March 2020:Rs.9,932,892) 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

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-Mar-21**	**As at 31-Mar-20**
Defined benefit obligation at the beginning of the year	**31,529,471**	**22,192,174**
Service cost	6,590,102	7,134,540
Interest cost	1,468,512	976,550
Benefits paid	(6,371,279)	(2,544,473)
Actuarial gain	7,623,099	3,770,680
Defined benefit obligation at the end of the year	**40,839,905**	**31,529,471**
Change in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	**340,882**	**1,454,442**
Employer Contributions	6,621,279	541,392
Interest income on Plan Assets	(144,165)	82,209
Actuarial (gain)/loss on plan assets	164,632	908
Others (Business combinations)	-	806,401
Benefits Paid	(6,371,277)	(2,544,470)
Fair value of plan assets at the end of the year	**611,351**	**340,882**
Present value of projected benefit obligation at the end of the year	40,839,905	31,529,471
Fair value of plan assets at the end of the year	611,351	340,882
Net liability recognised in the balance sheet	**40,228,554**	**31,188,589**
Non Current provision	31,344,677	22,147,776
Current provision	8,883,877	9,040,813

Expenses recognised in statement of profit and loss	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Service cost	6,590,102	7,134,540
Interest cost	1,612,677	976,550
Total expenses routed through statement of profit and loss	**8,202,779**	**8,111,090**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes -		(1,506,935)
Actuarial gain / (loss) due to financial assumption changes	794,865	1,746,628
Actuarial gain / (loss) due to experience adjustments	6,828,234	3,530,987
Return on plan assets greater (less) than discount rate	(164,631)	(908)
Total expenses routed through OCI	**7,458,468**	**3,769,772**
Assumptions	**As at 31-Mar-21**	**As at 31-Mar-20**
Discount rate	4.85%	5.40%
Future salary increases	7%	7%
Employee turnover		
Age Years		
21-30	32.18%	33.80%
31-40	35.96%	30.00%
41-50	15.96%	15.59%
51-59	21.86%	20.62%

Sensitivity Analysis

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

	As at 31-Mar-21	**As at 31-Mar-20**
Effect of + 1% change in rate of discounting	(1.92)%	(1.97)%
Effect of - 1% change in rate of discounting	2.00%	2.05%
Effect of + 1% change in rate of salary increase	1.77%	2.01%
Effect of - 1% change in rate of salary increase	(1.74)%	(1.95)%

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

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33 Dues to Micro, small and medium enterprises

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

34 Leases

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

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

Amounts recognised in statement of profit and loss:

Particulars	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Cancellable operating lease expense	14,294,662	20,324,749
Non - cancellable operating lease expense	-	-
Total	**14,294,662**	**20,324,749**

35 Earnings per share

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

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

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

Particulars	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Loss for the year	(18,455,585)	(273,416,567)
Loss attributable to equity share holders	**(18,455,585)**	**(273,416,567)**
Equity Shares outstanding as at the end of the year (in nos.)	157,991,402	157,991,402
Weighted average number of Equity Shares used as a denominator for calculating Basic Earnings Per Share	157,991,402	157,565,829
Add: Dilutive impact of employee stock options	5,277,299	3,271,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	163,268,701	160,836,829
Earnings per share of par value ₹ 2 – Basic (₹)	(0.12)	(1.74)
Earnings per share of par value ₹ 2 – Diluted (₹)	(0.11)	(1.70)

36 Deferred Tax

Computation of Deferred Tax	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Opening Balance	**312,681**	**312,681**
Other items	312,681	-
Net Deferred Tax Asset / (Liability)	**-**	**312,681**

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

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Deferred Tax Asset	-	312,681
Deferred Tax Liabilities	-	-
Deferred Tax Assets (Net)	**-**	**312,681**

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 in OCI**	**Closing Balances**
Other items	312,681	312,681	-	-
Net Deferred Tax	**312,681**	**312,681**	**-**	**-**

Particulars	**For the year ended 31 March 2020**			
	Opening Balance	**For the year**	**Recognized in OCI**	**Closing Balances**
Other items	312,681	-	-	312,681
Net Deferred Tax	**312,681**	**-**	**-**	**312,681**

* Other Items include Opening Balance of Deferred Tax Assets of amalgamating companies

MosChip Technologies Limited

Notes forming part of Standalone Financial Statements

37 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 Group has granted options during the year ended 31 March 2021 in Moschip Stock Option Plan 2005 (MI) and Moschip Stock Option Plan 2005 (WOS), Moschip Stock Option Plan 2008, Moschip Stock Option Plan 2008 (ALR), Moschip Stock Option Plan 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:

	For Year Ended 31 March 2021					
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 ye	1,096,500	250,000	199,000	491,000	1,000,000	-
Granted during the year	587,000	150,000	-	509,000	-	5,611,000
Forfeited during the year	253,500	-	174,000	50,000	-	214,000
Exercised during the year	-	-	-	-	-	-
Options outstanding at the end of the year	1,430,000	400,000	25,000	950,000	1,000,000	5,397,000

The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2021 was INR "Not Applicable" (31 March 2020 – INR 13.34).

During the currnet year we have made reserve towards outstanding of ESOP's and Share based payment expenses for the year ended 31 March 2021 of Rs. 4,739,515 (31 March 2020 Rs. 17,144,592).

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

	31-Mar-21			**31-Mar-20**	
Grant date	20-Jul-20	26-Oct-18	12-Aug-15	26-Oct-18	12-Aug-15
Expiry date	19-Jul-27	24-Oct-25	11-Aug-22	24-Oct-25	11-Aug-22
Excise price	₹ 16.00	₹ 18.00	₹ 5.98	₹ 18.00	₹ 5.98
Share options	6,593,000	2,609,000	20,000	2,981,500	20,000

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

The model inputs for options granted during the year ended 31 March 2021 and 31 March 2020 included:

	31-Mar-21			**31-Mar-20**	
Grant Date	20-Jul-20	26-Oct-18	12-Aug-15	26-Oct-18	12-Aug-15
Expiry Date	19-Jul-27	24-Oct-25	11-Aug-22	24-Oct-25	11-Aug-22
Excise Price	₹ 16.00	₹ 18.00	₹ 5.98	₹ 18.00	₹ 5.98
Share Price at Grant date	₹ 13.80	₹ 22.00	₹ 5.98	₹ 22.00	₹ 5.98
Expected price volatility of the company's shares	67.00%	58.33%	70.17%	72.67%	70.17%
Expected dividend yield	-	-	-	-	-
Risk free interest rate	5.13%	8.09%	6.60%	8.14%	6.60%

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

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

38 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.

(a) Financial instruments by category

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 ***
Financial asset				
Investment	-	-	338,853,023	338,853,023
Trade receivables - Non current	28,672,507	-	-	28,672,507
Trade receivables - Current	-	-	379,353,766	379,353,766
Cash and cash equivalents	-	-	21,087,529	21,087,529
Other bank balances	-	-	2,866,776	2,866,776
Loans	-	-	348,444,437	348,444,437
Other financial assets	-	-	1,441,833	1,441,833
Total	**28,672,507**	**-**	**1,092,047,364**	**1,120,719,871**
Financial liabilities				
Borrowings - long term	-	-	1,464,408	1,464,408
Long term Other financial liabilities			37,584,034	37,584,034
Borrowings - short term	-	-	593,009,727	593,009,727
Trade payables	-	-	143,297,787	143,297,787
Other financial liabilities	-	-	729,130	729,130
Total	**-**	**-**	**776,085,086**	**776,085,086**

The carrying value and fair value of financial instruments by categories as at March 31, 2020 is as follows:

	Fair value through profit or loss	**Fair value through other comprehensive income**	**Amortised cost**	**Total carrying value ***
Financial asset				
Investments	-	-	338,853,023	338,853,023
Trade receivables - Non current	34,673,546	-	-	34,673,546
Trade receivables - Current	-	-	328,762,170	328,762,170
Cash and cash equivalents	-	-	30,478,393	30,478,393
Other bank balances	-	-	1,904,516	1,904,516
Loans	-	-	342,361,436	342,361,436
Other financial assets	-	-	1,427,172	1,427,172
Total	**34,673,546**	**-**	**1,043,786,710**	**1,078,460,256**
Financial liabilities				
Borrowings - long term			1,754,331	1,754,331
Other financial liabilities - non current			37,584,034	37,584,034
Borrowings	-	-	592,210,154	592,210,154
Trade payables	-	-	147,687,503	147,687,503
Other financial liabilities	-	-	803,518	803,518
Total	**-**	**-**	**780,039,540**	**780,039,540**

*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.

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

38 Financial instruments (Continued.,)

(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 2021 and 31 March 2020. 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 2021 and 31 March 2020.

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, 2021 would decrease/increase by Rs. 5,931,213 (March 31, 2020: decrease/increase by Rs. 3,762,988). 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 ₹ 781,866,847 and ₹ 739,607,233 as of March 31, 2021 and March 31, 2020 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 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-Mar-21**	**As at 31-Mar-20**
Balance at the beginning of the year	95,563,660	-
Movement in the expected credit loss allowance on trade receivables and other financial assets:		
Provided during the year	15,616,660	95,563,660
Reversed/utilised during the year	-	-
Balance at the end of the year	**111,180,320**	**95,563,660**

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 18% of outstanding trade receivables and unbilled revenues.

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

38 Financial instruments (Continued.,)

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 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 summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 1 year	1-3 years	3 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings - long term	-	366,102	1,098,306	-		1,464,408
Other Financial Liabilities - long term	-	28,188,026	9,396,008	-		37,584,034
Borrowings - short term	593,009,727	-	-	-	-	593,009,727
Trade payables	143,297,787	-	-	-	-	143,297,787
Other Financial Liabilities - short term	729,130	-	-	-	-	729,130
Year ended March 31, 2020						
Borrowings - long term	-	350,866	1,052,599	350,866	-	1,754,331
Other Financial Liabilities - long term	-	18,792,017	18,792,017	-	-	37,584,034
Borrowings - short term	592,210,154	-	-	-	-	592,210,154
Trade payables	147,687,503	-		-	-	147,687,503
Other Financial Liabilities - current	803,518	-	-	-	-	803,518

Impact of COVID-19 (Global pandemic)

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk. The Company continues to believe that there is no significant impact on Company financial statements.

c) Capital Management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2021 and 31 March 2020 was as follows:

Particulars	As at 31-Mar-21	As at 31-Mar-20
Total equity attributable to the equity shareholders of the Company	865,962,867	887,137,405
As a percentage of total capital	59%	60%
Long term borrowings including current maturities	1,464,408	1,754,331
Short term borrowings	593,009,727	592,210,154
Total borrowings	594,474,135	593,964,485
As a percentage of total capital	41%	40%
Total capital (equity and borrowings)	1,460,437,002	1,481,101,890

39 Goodwill

Following is the summary of changes in carrying amount of goodwill:

	As at 31-Mar-21	As at 31-Mar-20
Balance at the beginning of the year	444,150,372	444,150,372
Impairment of Goodwill	-	-
Balance at the end of the year	**444,150,372**	**444,150,372**

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.

S.T. Mohite & Co. CA Regd. No. 011410S Hyd. Chartered Accountants

MosChip Technologies Limited
Notes forming part of Standalone Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

40 For the year ended 31 March 2020, Exceptional item included bad debts written off amounted to Rs. 48,399,566 and provision for doubtful debts amounted to Rs. 55,563,660. The management has revised the provisioning policy and carried out detailed review of expected credit loss, which is warranted during the current period and made necessary provisions to present receivables at its fairly receivable levels. Since these amounts are material and non-recurring nature, hence we have disclosed as an exceptional item.

41 Figures have been rounded off to nearest Rupee and previous year figures have been regrouped wherever necessary, to correspond with the current period classification / disclosure.

As per our report of even date attached
For S T Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Place: Hyderabad
Date: 27 April 2021

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

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 38391

Place: Hyderabad
Date: 27 April 2021

Annexure - 5

S.T. Mohite & Co.,
Chartered Accountants
G5, B-Block, Paragon Venkatadri Apartments,
3-4-812, Street No. 1, Barkatpura,
Hyderabad - 500 027. T.S. INDIA.
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Independent Auditors' Report

To the Members of
Maven Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maven Systems Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.
Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

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

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

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

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

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

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

- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that :
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company has disclosed the impact of pending litigations on its financial position in its financial
   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

iv. The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year. Accordingly no details under Section 197(16) of the Act are required to be commented upon by us.

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

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

Place: Hyderabad
Date: 26 April 2021

ICAI UDIN : 21015635AAAACN3380

Annexure A to the Independent Auditors' Report

With reference to Annexure A as referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company on the financial statement for the year ended 31 March 2021, we report the following:

Sl No.	Ref to CARO	Report by Independent Auditors
1	3(i)	**Fixed Assets**
	3(i)(a)	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
	3(i)(b)	The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified on annual basis, in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all fixed assets were physically verified during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
	3(i)(c)	The Company is not holding any immovable properties and accordingly clause 3(i) of the Order is not applicable to the Company for the year under review.
2	3(ii)	**Inventories**
		As explained to us, the inventories has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no material discrepancies noticed on verification between the physical stock and the book records.
3	3(iii)	**Loans to parties covered by Sec.189 of the Companies Act,2013 ('the Act')**
		According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to body corporate, firms, Limited Liability Firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly the provisions of the clause 3 (iii) of the Order are not applicable to the Company for the year under review.
4	3(iv)	**Loans , guarantees, securities to and investments in other companies**
		In our opinion and according to the information and explanation given to us, the company has no transactions for compliance with the provisions of Sections 185 and 186 of the Act in respect of making investments.
5	3(v)	**Acceptance of deposits**
		In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year as per provisions of Section 73 or 76 of the Act and any other relevant provisions of the Act and the relevant Rules framed thereunder. Accordingly the provisions of the clause 3 (v) of the Order are not applicable to the Company for the year under review.
6	3(vi)	**Maintenance of cost records**
		According to the information and explanations given us, the maintenance of cost records prescribed the under section 148(1) of the Act read with Rule 3 of the Cost Audit Rules is not applicable to the company. Accordingly reporting under clause 3(vi) of the Order is not applicable to the Company for the year under review.

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

Sl No.	Ref to CARO	Report by Independent Auditors
7	3(vii)	**Statutory Dues**
	3(vii)(a)	According to the information and explanations given to us and on the basis of our examination of the 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. 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, 2021 for a period of more than six months from the date they became payable.
	3(vii)(b)	According to the information and explanation given to us, there are no dues of statutory dues of Income tax, sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty, Value added tax, cess and other dues have not been deposited by the Company on account of any disputes.
	3(viii)	**Defaults in repayments to Financial Institutions/Banks/Debenture holders**
		In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment/repayments of loans or borrowings to the banks. The Company did not have any outstanding loans or borrowings from financial Institutions or Government.
9	3(ix)	**Initial public offer/further offer**
		In our opinion and according to the information and explanation given to us, the company has not made, for the year under review, any initial public offer or further public offer of securities (including debt instruments) or the term loans during the year and hence reporting under clause 3(ix) of the Order is not applicable to the company.
10	3(x)	**Frauds by or on the company**
		In our opinion and according to the information and explanation given to us, no material fraud on the Company or on the Company by its officers or employees has been noticed are reported during the course of our audit.
11	3(xi)	**Managerial Remuneration**
		In our opinion and according to the information and explanation given to us based on the examination of the records of the Company, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12	3(xii)	**Nidhi company**
		In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company as prescribed under Section 406 of the Act and hence paragraph 3(xii) of the Order is not applicable to the company.
	3(xiii)	**Transactions with Related parties**
		In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with provisions of section 177 and section 188 of

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Sl No.	Ref to CARO	Report by Independent Auditors
		the Act where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14	3(xiv)	**Preferential allotment u/s 62 or private placement u/s 42 of the Act** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment; or private placement of shares; or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
15	3(xv)	**Non-cash transactions with directors u/s 192 of the Act** In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non cash transactions with its Directors or persons connected to its Directors or persons connected with him and hence provisions of Sec 192 of the Act and paragraph 3(xv) of the Order are not applicable to the company.
16	3(xvi)	**Registration u/s 45-1A of RBI Act,1934** According to the information and explanation given to us, The company is not required to be registered under section 45-1A of the Reserve bank of India Act, 1934 and hence paragraph 3(xvi) of the Order is not applicable to the company.

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

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

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

Place: Hyderabad
Date: 26 April 2021

ICAI UDIN: 21015635AAAACN3380

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of Maven Systems Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

Place: Hyderabad
Date: 26 April 2021

ICAI UDIN: 21015635AAAACN3380

Maven Systems Private Limited
Balance Sheet
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Notes	As at 31-Mar-21	As at 31-Mar-20
ASSETS			
Non-current assets			
Property, plant and equipment	4	-	296,248
Other Intangible assets	5	28,307,841	47,859,673
		28,307,841	**48,155,921**
Current assets			
Inventories	6	21,695,367	26,306,962
Financial assets			
Trade receivables	7	26,903,596	47,389,883
Cash and cash equivalents	8	2,239,228	1,219,125
Loans	9	460,000	1,966,234
Current tax assets (Net)		343,107	360,395
Other current assets	10	723,402	8,314,894
		52,364,700	**85,557,493**
Total assets		**80,672,541**	**133,713,414**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	100,000	100,000
Other equity	12	(295,384,600)	(242,252,138)
Total equity		**(295,284,600)**	**(242,152,138)**
Non-current liabilities			
Provisions	13	1,784,525	1,387,801
		1,784,525	**1,387,801**
Current liabilities			
Financial liabilities			
Borrowings	14	248,375,454	239,775,455
Trade payables	15		
(a) total outstanding dues of micro and small enterprises			
(b) total outstanding dues other than (a) above		122,554,069	122,249,694
Other current liabilities	16	3,156,940	8,778,323
Deferred tax liability	32	-	9,126
Provisions	13	86,153	3,665,153
Total current liabilities		**374,172,616**	**374,477,751**
Total liabilities		**375,957,141**	**375,865,552**
Total equity and liabilities		**80,672,541**	**133,713,414**

See accompanying notes forming part of the financial statements 1 to 35

As per our report of even date attached

for ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Srinivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

Place: Hyderabad
Date: 26 April 2021

For and on behalf of the Board
Maven Systems Private Limited

Jayaram Susarla
Director
DIN : 08077540

Suresh Bachalakura
Director
DIN : 08077526

Place: Hyderabad
Date: 26 April 2021

Maven Systems Private Limited
Statement of Profit and Loss
(All amounts in Indian Rupees, except share data and where otherwise stated)

		Notes	Year ended 31-Mar-21	Year ended 31-Mar-20
I	**Income**			
	Revenue from operations	17	26,071,880	132,796,934
	Other income	18	212,261	365,065
	Total Income		**26,284,141**	**133,161,999**
II	**Expenses**			
	Cost of material consumed	19	12,445,545	77,940,459
	Other operating expenses	20	6,863,560	8,701,989
	Employee benefits expenses	21	5,703,114	71,429,565
	Finance costs	22	20,756,485	25,719,994
	Depreciation and amortisation expense	24	19,826,890	20,225,988
	Other expenses	23	13,922,370	26,496,180
	Total expense		**79,517,964**	**230,514,175**
III	**Profit / (Loss) before tax (I - II)**		(53,233,823)	(97,352,176)
IV	Tax expenses			
	Deferred tax	32	(9,126)	-
	Total tax expense		**(9,126)**	-
V	**Loss after tax (III - IV)**		**(53,224,697)**	**(97,352,176)**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	Remeasurement of defined benefit plan	27	(92,235)	(475,480)
	Total Other Comprehensive Income		**(92,235)**	**(475,480)**
VII	**Total comprehensive (loss) / income for the year (V - VI)**		**(53,132,462)**	**(96,876,696)**
	Earnings per equity share (nominal value of INR 10) in INR	31		
	Basic		(5,322)	(9,735)
	Diluted		(5,322)	(9,735)
	See accompanying notes forming part of the financial statements	1 to 35		

As per our report of even date attached
For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Srinivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

Place: Hyderabad
Date: 26 April 2021

For and on behalf of the Board
Maven Systems Private Limited

S. Jayaram

Jayaram Susarla
Director
DIN : 08077540

Suresh Bachalakura
Director
DIN : 08077526

Place: Hyderabad
Date: 26 April 2021

Maven Systems Private Limited
Statement of changes in equity
(All amounts in Indian Rupees, except share data and where otherwise stated)

a. Equity share capital
Equity shares of INR 10 each issued, subscribed and fully paid-up

	Shares	Amount
As of 1 April 2019	**10,000**	**100,000**
Change in Equity share Capital during the year	-	-
As of 31 March 2020	**10,000**	**100,000**
Change in Equity share Capital during the year	-	-
As of 31 March 2021	**10,000**	**100,000**

b. Other equity

Particulars	Securities Premium	Retained Earnings	Other comprehensive income - Remeasurement of defined benefit plan	Retained Earnings
At 1 April 2019	**32,617,320**	**(212,710,977)**	**2,100,895**	**(145,375,442)**
Loss for the year	-	(97,352,176)	-	(97,352,176)
Other comprehensive income (Net)	-	-	475,480	475,480
Total comprehensive income for the year	**-**	**(97,352,176)**	**475,480**	**(96,876,696)**
At 31 March 2020	**32,617,320**	**(310,063,153)**	**2,576,375**	**(242,252,138)**
Loss for the year		(53,224,697)	-	(53,224,697)
Other comprehensive income (Net)		-	92235	92,235
Total comprehensive income for the year	**-**	**(53,224,697)**	**92,235**	**(53,132,462)**
At 31 March 2021	**32,617,320**	**(363,287,850)**	**2,668,610**	**(295,384,600)**

See accompanying notes forming part of the financial statements 1 to 35

In terms of our report attached
for ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

For and on behalf of Board
Maven Systems Private Limited

Srinivasa Rao T Mohite
Partner
Membership No.:015635

S.T. Mohite & Co. CA Regd. No. 011410S Hyd. Chartered Accountants

Jayaram Susarla
Director
DIN : 08077540

Suresh Bachalakura
Director
DIN : 08077526

Place: Hyderabad
Date: 26 April 2021

Place: Hyderabad
Date: 26 April 2021

Maven Systems Private Limited
Statement of cash flow
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Cash Flows from operating activities		
Loss before tax	(53,233,823)	(97,352,176)
Adjustments for :		
Depreciation and amortisation expenses	19,826,890	20,225,988
Finance charges	20,756,485	25,719,994
Interest on bank deposit	(212,261)	(365,065)
Changes in working capital		
Decrease/(Increase) in trade receivables	20,486,287	(23,101,804)
Decrease/(Increase) in inventories	4,611,596	15,596,071
Decrease/(Increase) in other financial asset	1,506,234	2,720,288
Decrease/(Increase) in other current asset	7,591,492	748,381
(Decrease)/Increase in trade payables	(20,452,111)	(14,489,209)
(Decrease)/Increase in current liabilities	(5,621,383)	2,478,475
(Decrease)/Increase in short term provision	(3,486,765)	3,456,594
(Decrease)/Increase in long term provision	396,724	(2,085,149)
Cash generated from operations	**(7,830,636)**	**(66,447,612)**
Income tax paid	17,289	756,149
Net cash used for operating activities	**(7,813,348)**	**(65,691,463)**
Cash flow from investment activities		
Interest on bank deposit	233,451	365,065
Net cash used for investment activities	**233,451**	**365,065**
Cash flow from financing activities		
Increase of long-term borrowings	8,599,999	56,023,717
Net cash from financing activities	**8,599,999**	**56,023,717**
Net Increase/(decrease) in cash and cash equivalents	1,020,102	(9,302,681)
Cash and cash equivalents at the beginning of the year	1,219,126	10,521,807
Cash and cash equivalents at the end of the year	**2,239,228**	**1,219,126**

See accompanying notes forming part of the financial statements 1 to 35

In terms of our report attached
for ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Srinivasa Rao T Mohite
Partner
Membership No.:015635

Place: Hyderabad
Date: 26 April 2021

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

For and on behalf of Board of Directors
Maven Systems Private Limited

S. Jayaram

Jayaram Susarla
Director
DIN : 08077540

Place: Hyderabad
Date: 26 April 2021

Suresh Bachalakura
Director
DIN : 08077526

1 Corporate Information

Maven Systems Private Limited ('the Company') was incorporated in 2009 as a private limited company under the Companies Act, 1956. The Registered office of the Company is located at Industrial Park , Plot No C-5/A,Uppal , Hyderabad , Telangana 500039

The Company is engaged in to business of development and manufacture of Internet on Things (IoT).

The Financial Statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on 26 April 2021.

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

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.

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

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.

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.

S.T. Mohite & Co. Chartered Accountants CA Regd. No. 011410S Hyd.

Maven Systems Private Limited

Notes forming part of the Standalone Financial Statements

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

2.4 Use of Estimates: (Continued..)

Critical accounting estimates

(i) 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.

(ii) Property, plant and equipment

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

(iii) Provisions

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

(iv) 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

(v) 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.

(vi) Other estimates

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

(vii) 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

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 it working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

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

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

Useful lives of depreciable assets	Useful Life
Furniture and fixtures	10
Office equipment's	5
Computers	3
Other Intangible assets	3

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2.6 Leases

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

2.7 Impairment of assets

(i) Financial assets

The Group 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.

2.8 Inventories

Components and parts:

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

Finished Goods:

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

Projects in Progress / Work in Progress:

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

2.9 Revenue recognition

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number (transactions processed, etc.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at tl 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

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.

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Notes forming part of the Standalone Financial Statements

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

2.11 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.

(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.

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.

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2.11 Financial instruments

(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.

2.12 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 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 and long term service awards 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 consolidated statement of profit and loss during the period when the employee renders the

2.13 Taxation

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

Current tax

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

Deferred tax

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

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

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

2.14 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).

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2.15 Provisions and Contingent liabilities & 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 Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

a Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c Specified format for disclosure of shareholding of promoters

d Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used

f Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

a Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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Maven Systems Private Limited
Notes forming part of financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

4 Property, plant and equipment

Particulars	Furniture and fixtures	Office equipment's	Computers	Total
Deemed cost				
At 1 April 2019	365,214	101,855	2,253,479	2,720,548
Additions	-	-	-	-
Deletions	-	-	-	-
At 31 March 2020	365,214	101,855	2,253,479	2,720,548
Additions				
Deletions	365,214	101,855	1,364,413	1,831,482
At 31 March 2021	-	-	**889,066**	**889,066**
Accumulated depreciation				
At 1 April 2019	173,705	74,459	1,418,836	1,666,999
Charge for the year	51,916	22,023	683,362	757,301
Less: Deletions	-	-	-	-
At 31 March 2020	**225,621**	**96,482**	**2,102,198**	**2,424,300**
Charge for the year	118,406	5,381	151,271	275,058
Deletions	344,027	101,863	1,364,402	1,810,292
At 31 March 2021	-	-	**889,066**	**889,066**
Carrying amount				
At 1 April 2019	191,509	27,396	834,643	1,053,549
At 31 March 2020	139,593	5,373	151,281	296,248
At 31 March 2021	-	-	-	-

5 Other Intangible Assets

Particulars	Intangible assets
Deemed cost	
At 1 April 2019	78,207,331
Additions / (transfer)	-
Deletions	-
At 31 March 2020	78,207,331
Additions / (transfer)	-
Deletions	-
At March 31, 2021	78,207,331
Accumulated amortisation	
At 1 April 2019	10,878,971
Charge for the year	19,468,687
Less: Deletions	-
At 31 March 2020	30,347,658
Charge for the year	19,551,832
Less: Deletions	-
At March 31, 2020	49,899,490
Carrying amount	
At 1 April 2019	67,328,360
At 31 March 2020	47,859,673
At 31 March 2021	28,307,841

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Notes forming part of Financial Statements

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

	As at 31-Mar-21	As at 31-Mar-20
6 Inventories *		
Inventories consist of the following:		
Hardware and Product Component for IoT	21,695,367	26,306,962
	21,695,367	**26,306,962**
* Inventories are carried at lower of cost and net realisable value.		
7 Trade receivables		
Trade receivables - Current		
Unsecured, considered good	35,832,935	48,781,883
	35,832,935	48,781,883
Less: Allowance	8,929,339	1,392,000
	26,903,596	**47,389,883**
8 Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- in Current account	2,239,228	1,219,125
	2,239,228	**1,219,125**
9 Loans - current		
Unsecured, considered good		
Security deposits	-	1,366,234
Earnest Money Deposits	460,000	600,000
	460,000	**1,966,234**
10 Other current assets		
Unsecured, considered good		
Advances to employees	-	1,373,850
Balance with Government Authorities	-	235,048
Indirect tax recoverable	-	1,220,981
Advance to Vendors	723,402	2,961,777
Prepaid expenses	-	548,238
Unbilled revenue	-	1,975,000
	723,402	**8,314,894**

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

	As at 31-Mar-21	As at 31-Mar-20
11 Equity share capital		
Authorised Share Capital		
10,000 (March 31, 2020: 10,000) Equity shares of Rs.10/- each.	100,000	100,000
Issued, subscribed and fully paid-up		
10,000 (March 31, 2020: 10,000) equity shares of Rs.10/- each fully paid-up	100,000	100,000
Total	**100,000**	**100,000**

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

Particulars	As at 31-Mar-21		As at 31-Mar-20	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**10,000**	**100,000**	**10,000**	**100,000**

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

Name of the Share holders	As at 31-Mar-21		As at 31-Mar-20	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MosChip Technologies Limited (Including beneficial ownership)	10,000	100%	10,000	100%
	10,000	**100%**	**10,000**	**100%**

(c) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) 10,000 shares are held by Holding Company namely MosChip Technologies Limited (Including beneficial ownership)

	As at 31-Mar-21	As at 31-Mar-20
12 Other equity		
a) Retained earning		
Opening balance	(277,445,833)	(180,093,657)
Loss for the year	(53,224,697)	(97,352,176)
Total other equity	**(330,670,530)**	**(277,445,833)**
b) Other comprehensive income		
Remeasurement of defined benefit plan		
Opening Balance	2,576,375	2,100,895
Additions during the year	92,235	475,480
Closing Balance	**2,668,610**	**2,576,375**
c) Securities Premium		
Opening balance	**32,617,320**	**32,617,320**
Transactions during the year	-	-
Closing balance	**32,617,320**	**32,617,320**
Total other equity	**(295,384,600)**	**(242,252,138)**

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

	As at 31-Mar-21	As at 31-Mar-20
13 Provisions		
Non-Current		
Provision for employee benefits		
- Gratuity (refer note 27)	113,706	64,435
- Compensated absences	72,248	18,175
Warranty for products sold	1,598,571	1,305,191
	1,784,525	**1,387,801**
Current		
Provision for employee benefits		
- Gratuity (refer note 27)	23,195	3,176,801
- Compensated absences	62,958	488,352
	86,153	**3,665,153**
14 Borrowings		
Current- Borrowings		
Unsecured Borrowings		
Related party transaction		
- Loan from Holding Company (refer note 26)	248,375,454	239,775,455
	248,375,454	**239,775,455**
15 Trade payables		
Trade payables		
(a) total outstanding dues of micro and small enterprises (refer note 28)		
(b) total outstanding dues other than (a) above	122,554,069	122,249,693
	122,554,069	**122,249,693**
16 Other liabilities		
Current		
Statutory liabilities	2,916,173	3,431,196
Advance from customer	-	5,180,612
Revenue received in advance	240,767	166,515
	3,156,940	**8,778,323**

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Notes forming part of Financial Statements

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

		Year ended 31-Mar-21	Year ended 31-Mar-20
17	**Revenue from operations**		
	Sale of Products	26,071,880	132,796,934
		26,071,880	**132,796,934**
18	**Other income**		
	Interest income	212,261	365,065
		212,261	**365,065**
19	**Cost of material consumed**		
	Opening stock	28,806,962	41,903,033
	Add: Purchases during the year	5,333,950	62,344,388
	Less: Closing stock	21,695,367	26,306,962
		12,445,545	**77,940,459**
20	**Other operating expenses**		
	Job work Charges	4,296,418	5,715,779
	Other expenses	2,567,142	2,986,210
		6,863,560	**8,701,989**
21	**Employee benefits expense**		
	Salaries, wages and bonus	5,131,638	67,702,905
	Contribution to provident and other funds	331,324	1,560,572
	Staff welfare expenses	240,152	2,166,088
		5,703,114	**71,429,565**
22	**Finance costs**		
	Bank charges	18,060	25,834
	Interest on other loans	-	8,930,000
	Interest on inter company loan	20,738,425	16,764,160
		20,756,485	**25,719,994**

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Notes forming part of Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

		Year ended 31-Mar-21	Year ended 31-Mar-20
23	**Other expenses**		
	Software Expenses	18,745	146,253
	Power and fuel	106,051	1,924,909
	Repairs and maintenance	17,097	101,983
	Auditors Remuneration (refer note 25)	157,500	155,100
	Postage, Telegram and Telephone Expenses	-	129,260
	Operating Leases (refer note 30)	163,201	10,152,842
	Rent on Equipment's	14,000	139,000
	Business promotion and advertisement expenses	-	44,475
	Security expenses	2,948	665,680
	Travelling and conveyance	38,727	2,207,793
	Rates and taxes	50,900	51,593
	Professional charges	878,642	643,232
	Printing and stationary	-	48,343
	Communication expenses	35,830	228,766
	General Expenses	1,408	275,983
	Interest on Statutory Liabilities	397,026	541,613
	Subscription charges	3,171,712	3,286,388
	Office maintenance	176,243	1,974,100
	Foreign Exchange Fluctuation	29,918	333,730
	Bad debts written off / Provison for Bad and doubtful debts	8,662,422	3,445,137
		13,922,370	**26,496,180**
24	**Depreciation and Amortisation expense**		
	Depreciation	275,058	757,301
	Amortisation	19,551,832	19,468,687
		19,826,890	**20,225,988**

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Maven Systems Private Limited
Notes forming part of Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

25 Auditors' remuneration

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
As fees for Audit	145,000	145,100
As fees for Certifications	12,500	10,000
Total	**157,500**	**155,100**

26 Related party disclosures

a) Names of related parties and related party relationship

Name of the parties	Relation as on 31 March 2021 *
MosChip Technologies Limited	Holding Company

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

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

	Year ended 31-Mar-21	Year ended 31-Mar-20
MosChip Technologies Limited		
Purchase of goods	-	876,142
Reimbursement of expenses	-	286,143
Loans received	8,599,999	56,023,718
Interest expenses	20,738,425	16,764,160

Balance receivable/(payable) at year end

c)

	As at 31-Mar-21	As at 31-Mar-20
MosChip Technologies Limited		
Loans	248,375,454	239,775,455
Other Payables	59,957,129	77,548,693

27 Gratuity

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

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

Particulars	As at 31-Mar-21	As at 31-Mar-20
Opening balance	**3,241,236**	**3,057,263**
Service cost	40,346	511,548
Interest cost	72,075	203,194
Past Service Cost	-	-
Benefits paid	(3,124,521)	(55,289)
Actuarial gain	(92,235)	(475,480)
Closing balance	**136,901**	**3,241,236**
Present value of projected benefit obligation at the end of the year	136,901	3,241,236
Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet	**136,901**	**3,241,236**
Long term provision	113,706	64,435
Short term provision	23,195	3,176,801
	Year ended 31-Mar-21	**Year ended 31-Mar-20**
Expenses recognised in statement of profit and loss		
Service cost	40,346	511,548
Interest cost	72,075	203,194
	112,421	**714,742**

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27 Gratuity (Continued..)

Gratuity cost		
Re-measurement Gain / (Losses) in OCI		
Actuarial Gain / (Loss) due to demographic assumption changes -	-	(143,433)
Actuarial Gain / (Loss) due to financial assumption changes	5,080	156,482
Actuarial Gain / (Loss) due to experience adjustments	(97,315)	(488,529)
Return on plan assets Greater / (Less) than discount rate	-	
Total Gain / (Loss) routed through OCI	**(92,235)**	**(475,480)**
Assumptions	**31-Mar-21**	**31-Mar-20**
Discount rate	4.9%	5.4%
Future salary increases	7.0%	7.0%
Employee turnover		
Age upto 30 years	32.2%	33.8%
Age 31 - 40 years	36.0%	30.0%
Age 41 - 50 years	16.0%	15.6%
Age above 50 years	21.9%	20.6%

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

	31-Mar-21	**31-Mar-20**
Effect of + 1% change in rate of discounting	129,180	3,502,718
Effect of - 1% change in rate of discounting	145,693	3,862,864
Effect of + 1% change in rate of salary increase	145,420	3,857,947
Effect of - 1% change in rate of salary increase	129,259	3,503,614

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

28 Dues to Micro, small and medium enterprises

The Company sought the information from all the suppliers. Based on the information received from suppliers and 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". In the absence of the details from the suppliers we did not provide any financial liability in books. Hence there is not reportable information as required as per Sec 22(i) to (vi) of the MSMED Act, 2006 read with Schedule III of Companies Act, 2013.

29 Segment Reporting (Ind AS 108):

The Company is exclusively engaged in the business of Internet on Things (IoT) primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

30 Leases

Where the Company is a lessee:

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

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

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from one to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 15%.

ii) Amounts recognised in statement of profit and loss:

Particulars	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Cancellable operating lease expense	163,201	10,152,842
Non - cancellable operating lease expense		
Total	**163,201**	**10,152,842**

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31 Earnings per share

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

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

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

Particulars	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Loss for the year	(53,224,696)	(97,352,176)
Less: Preference dividend for the year	-	-
Loss attributable to equity share holders	**(53,224,696)**	**(97,352,176)**
Equity Shares outstanding as at the end of the year (in nos.)	10,000	10,000
Weighted average number of equity shares outstanding during the year – basic and diluted	10,000	10,000
Earnings per share of par value ₹ 10 – Basic (₹)	**(5,322.47)**	**(9,735.22)**
Earnings per share of par value ₹ 10 – Diluted (₹)	**(5,322.47)**	**(9,735.22)**

32 Deferred Tax

Computation of Deferred Tax	**Year ended 31-Mar-21**	**Year ended 31-Mar-20**
Opening Balance	**(9,126)**	**(9,126)**
On Depreciation	-	-
Disallowance on account of non payment of TDS	9,126	-
43B Disallowance	-	-
Others	-	-
Net Deferred Tax Asset / (Liability)	**-**	**(9,126)**

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33 Financial Risk Management Framework

The Company's principal financial liabilities represents loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. 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, 2021 and March 31, 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating 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, 2021 and March 31, 2020.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings.

33 Financial Risk Management Framework

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the management.

Ind AS requires expected credit losses to be measured through a loss allowance based on historical collection pattern. There is no major credit loss related to IoT business.

However, the Company has provided for credit loss whereever required on review of exposure on case to case basis.

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CA
Regd. No. 011410S
Hyd.
Chartered Accountants

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c) 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 continuously moniters forecast and actual cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended March 31, 2021					
Borrowings	248,375,454	-	-	-	248,375,454
Trade payables	-	122,554,069	-	-	122,554,069
Other Financial Liabilities	-	-	-	-	-
Year ended March 31, 2020					
Borrowings	239,775,455	-	-	-	239,775,455
Trade payables	-	122,249,694	-	-	122,249,694
Other Financial Liabilities	-	-	-	-	-

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CA
Regd. No.
011410S
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Impact of COVID-19 (Global pandemic)
The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk. The Company continues to believe that there is no significant impact on its financial statements.

34 Capital management
The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.
For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2021, March 31, 2020 was as follows:

	As at	As at
Particulars	**31-Mar-21**	**31-Mar-20**
Total equity attributable to the equity shareholders of the Company	(295,284,600)	(242,152,138)
As a percentage of total capital	629%	10189%
Long term borrowings including current maturities	-	-
Short term borrowings	248,375,454	239,775,454
Total borrowings	248,375,454	239,775,454
As a percentage of total capital	-529%	-10089%
Total capital (equity and borrowings)	(46,909,146)	(2,376,684)

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

In terms of our report attached
for ST Mohite & Co
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sreenivasa Rao T Mohite
Partner
Membership No.:015635

Place: Hyderabad
Date: 26 April 2021

S.T. Mohite & Co. Chartered Accountants Regd. No. 011410S Hyd.

For and on behalf of Board
Maven Systems Private Limited

Jayaram ~~Susarla~~
Director
DIN : 08077540

Place: Hyderabad
Date: 26 April 2021

Suresh Bachalakura
Director
DIN : 08077526

Annexure - 6

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

To
The Board of Directors,
MosChip Technologies Limited,
Plot No. 83 & 84, 02nd Floor,Punnaiah Plaza,
Road No. 02,Banjara Hills,
Hyderabad,Telangana – 500 034.

We the statutory auditors of MosChip Technologies Limited (hereinafter referred to as 'the Company') have examined the proposed accounting treatment specified in clause 10 of the draft Scheme of Amalgamation and Arrangement between MosChip Technologies Limited ("Transferee Company") and Maven Systems Private Limited ("Transferor Company"), as approved by the Board of Directors in their meeting held on January 25, 2021, in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 with reference to its compliance with applicable Accounting Standards notified under the Companies Act, 2013 and other Generally Accepted Accounting Principles.

The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the draft Scheme complies with the applicable Accounting Standards and other Generally Accepted Accounting Principles. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificate for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, pursuant to the requirments of paragraph 5 of no. CIR/DIL3/CIR/2017/21 dated March 10, 2017 issued under Regulation 37 (4) of SEBI (Listing Obligations and Disclosure Requirments) and any other circulars issued there under, we confirm that the accounting treatment contained in the aforesaid Scheme is in compliance with all the applicable Accounting Standards specified under Companies (Indian Accounting Standards) Rules, 2015 in accordance with Section 133 of the 2013 Act and other Generally Accepted Accounting Principles.

This Certificate is issued at the request of MosChip Technologies Limited pursuant as to the requirements of Circulars issued under SEBI (Listing Obligations and Disclosure Requirments) Regulations, 2015 for onward submission to the BSE. This certificate should not be used for any other purpose without any our prior written consent.

Place: Hyderabad.
Date: January 25th, 2021.

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

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

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

ICAI UDIN: 21015635AAAAAV9415