

BOARD'S REPORT

To,
The Members of PathPartner Technology Private Limited,
No. 16, PSS Plaza, 1st and 2nd Floor,
New Thippasandra Main Road, HAL III Stage,
Bangalore - 560075, Karnataka (India)

Your directors are pleased to present the sixteenth Annual Report on the business and operations of PathPartner Technology Private Limited (the "Company") and the accounts for the Financial Year ("FY") ended March 31, 2022.

Financial summary and highlights

Your Company has successfully completed another eventful year of operation marked with growth, achievements and challenges. The Company has expanded its sales, marketing and business development effort significantly during the financial year ending March 31, 2022 and has added a number of overseas and domestic customers during the year under review. The Company invested in strengthening delivery capability and building a portfolio of software IPs, system solutions and prototype hardware design.

Brief comparison of standalone financial results for the current financial year with respect to the previous financial year is tabulated below.

Particulars	(Amounts in million ₹)	
	31 March 2022	31 March 2021
<i>Continuing Operations</i>		
Revenue from Operations	976.89	724.08
Other income	23.12	9.17
Total revenue	1,000.01	733.25
Total Expenses	875.42	612.47
Profit before tax and exceptional items	124.59	120.78
Exceptional items	72.75	-
Profit before tax	51.84	120.78
Tax expenses	11.13	35.64
Profit after tax for the year from continuing operations (A)	40.71	85.14
<i>Discontinued Operation</i>		
Loss for the year from discontinued operations	(21.75)	(41.20)
Profit for the year	18.96	43.94

Note: During the year, a small portion of Company's business was discontinued and transferred by way of a slump sale.

Operations and future outlook

The sales & marketing presence in the USA and Germany through the wholly owned subsidiary has enabled the Company to add a few strategic customers during the year. During the year, the Company has enhanced the execution and delivery capability across all the competencies at both Bangalore and Kochi development centers. The Company has plan to expand its delivery capability in India very fast and also expand delivery capability in USA.

Vertical focused offerings across Automotive, Embedded multimedia and Camera have enabled the Company to grow some of the strategic customer accounts. The Company is going to focus and expand its portfolio of offerings for automotive industry. It is taking required initiatives to expand fast with its strategic customers.

The Company has built a portfolio of IP accelerators in the areas of Automotive Driver Monitoring, In-cabin sensing Solutions and ADAS. The IP accelerators help attract customer attention and accelerate the development cycle.

Considering better momentum with our customers and in the automotive industry, we expect that the Company is on right track for a faster growth trajectory in the coming years.

Impact of covid-19 on operations and performance of the company

The COVID-19 pandemic extending into this year also resulted in business disruptions due to intermittent lockdowns, international and domestic travels restrictions, impacting the mobility of the Company's workforce required to travel for work purposes, which in turn had impacted service delivery.

The Company has taken into account all the possible impacts of COVID-19 pandemic in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its assets and impact on revenue recognition owing to changes in cost estimates of fixed price contracts, if any.

The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of the financial statements and is of the opinion that the impact of COVID-19, if any, is not material to the financial statements and it expects to recover the carrying amount of its assets in the ordinary course of business. The actual impact of COVID-19 may differ from that estimated as at the date of approval of the financial statements owing to the uncertainties associated with nature and duration of COVID-19.

The Company has taken specific preventive measures for safety of employees during COVID-19 pandemic.

State of company's affairs

We are glad to inform you that in spite of the global pandemic challenges encountered during most part of the year, your Company has managed to achieve growth in the year under review on account of focused sales effort, engineering excellence and improved operational efficiency.

The revenue from continuing operations of the Company is ₹ 976.89 million during the year, against ₹ 724.08 million during the previous year. The Profit before tax for the continuing business during the current year stands at ₹ 51.84 million as against ₹ 120.78 million during the corresponding period of the previous financial year. Pursuant to a Share Purchase Agreement among the Company, shareholders of the Company and KPIT Technologies Ltd., the latter has acquired controlling stake in the Company during the year.

Reserves

The Company has earned a Profit of ₹ 18.96 million for current year and the same has been transferred to the 'Reserves and Surplus' account of the Company in the Balance Sheet as on March 31, 2022.

Dividend

The Company intends to plough back profits for the growth of business and accordingly during the financial year under review, your directors do not recommend any dividend for the year ended March 31, 2022.

Share capital

As on the financial year ending March 31, 2022, the authorized share capital of Company is ₹ 15,000,000 comprising of 1,500,000 equity shares of ₹ 10 each and the issued and paid-up share capital is ₹ 10,792,980 comprising of 1,079,298 equity shares of ₹ 10 each.

There was no public issue, rights issue, sweat equity issue, bonus issue or preferential issue during the financial year under review. Further, the Company has neither issued shares with differential voting rights. However, 22,953 equity shares of the Company were allotted by the Company under ESOP Scheme on August 5, 2021.

Employee stock option plan

During the financial year under review;

- 7,828 stock options under ESOP Scheme 2015 of the Company were lapsed.
- 22,953 equity shares of the Company were allotted by the Company under ESOP Scheme on August 5, 2021.

Unpaid dividend

- The Company had declared dividend to its shareholders in the Seventh Annual General Meeting held on September 30, 2013.
- The declared dividend was paid by the Company to all the shareholders except for Mr. Tushar Anil Dave who had not claimed the dividend declared and hence sum of ₹ 248,280 (Rupees Two Lakh Forty-Eight Thousand Two Hundred Eighty only) was considered as unpaid dividend.
- Mr. Tushar Anil Dave, claimed such dividend declared, vide letter dated July 22, 2020 and has requested the Company to credit the amount of such unpaid dividend he is entitled.
- As the amount of unpaid dividend is claimed within the period of 7 years from the date of the declaration of the dividend, no amount of the unpaid dividend is liable to be transferred to the Investor Education and Protection Fund (IEPF) account.

Annual return

Copy of the Annual Return is placed on the website of the Company and the web link for the same is mentioned below: www.pathpartnertech.com/about-us

Number of meetings of the board of directors

The Meetings of the Board of directors of the Company were held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors were held when necessary.

During the financial year under review, the Company held 9 meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	April 01, 2021	6	5
2.	June 21, 2021	6	5
3.	July 14, 2021	6	5
4.	July 27, 2021	6	5
5.	August 05, 2021	6	5
6.	August 17, 2021	6	5
7.	September 28, 2021	6	5
8.	October 19, 2021	6	6
9.	January 27, 2022	5	5

Management

The Board consists of the following Directors as on March 31, 2022;

Sr. No	Name and DIN	Designation
1.	Mr. Kishor Parshuram Patil [DIN: 00076190]	Director
2.	Mr. Tushar Kanti Adhikary [DIN: 00362585]	Managing Director
3.	Mr. Girish Chandra Sabat [DIN: 00913757]	Whole-time Director
4.	Mr. Anup Vitthal Sable [DIN: 00940115]	Director
5.	Mr. Rajesh Janwadkar [DIN: 09364631]	Director

During the financial year under review, Ms. Aruna Madireddy [DIN: 00094433], Mr. Chakravarthy Kalyan Koka Prabhu Pavan [DIN: 01605534], Mr. Dipanjan Ghosh [DIN: 00346997] and Mr. Ramkishor Korada [DIN: 00362598] have resigned from the post of directorship w.e.f. October 19, 2021. Further, Mr. Kishor Parshuram Patil [DIN: 00076190], Mr. Anup Vitthal Sable [DIN: 00940115], Mr. Rajesh Janwadkar [DIN: 09364631] were appointed as a director of the Company w.e.f. October 19, 2021.

Directors responsibility statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made for the same;
- appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2022 and of the Profit of the Company for the year ended March 31, 2022;
- proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory auditors

M/s. BSR & Co. LLP (Firm Registration no. 101248W/W-100022) were appointed as Statutory Auditors of the Company to fill the casual vacancy created by the resignation tendered by the previous auditors M/s. Varma & Varma, Chartered Accountants, Bangalore [Firm registration number 004532S]. The Board recommends to appoint M/s. BSR & Co. LLP (Firm Registration no. 101248W/W-100022) as statutory auditors of the Company for a term of five (5) years, to hold office until the conclusion of the Annual General Meeting of the Company to be held in the year 2027.

Particulars of loans, guarantees or investments under section 186 of companies act, 2013

During the year under review, the Company has not given any loans, guarantees or investments as per Section 186 of the Companies Act, 2013.

Change in the nature of business and material changes & commitments affecting the financial position of the company

Pursuant to a Share Purchase Agreement among the Company, shareholders of the Company and KPIT Technologies Limited ("KPIT"), KPIT acquired controlling stake in the Company during the year under review. KPIT Technologies Limited is a leading independent software development and integration partner to the automotive and mobility industry. As a part of the overall business reorganization and with the intent to ensure greater operational synergies, the Company during the year under review, transferred as a going concern and by way of a slump sale, the Company's Product Business, together with the use of all the licenses, permits, consents and approvals whatsoever, intellectual property rights, patents and all related assets and liabilities together with its employees, to PathPartner Interior Sensing Private Limited ("the Purchaser"), for a lump sum consideration of ₹ 6 million, as agreed between the Company and the Purchaser.

Secretarial standards

During the year under review, the Company has complied with the respective mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

i CONSERVATION OF ENERGY:

Operations of the Company are not energy intensive. However, the Company has best endeavored to conserve consumption of energy wherever feasible.

- **Steps taken or impact on conservation of energy:**

Various strategies were adopted for energy conservation through (i) deployment of energy saving LED lights in the work premises (ii) enforcing “turn-off when not in use” practice for all the equipment.

- **Steps taken by the Company for utilizing alternate sources of energy;**

Operations of the Company are not energy intensive hence no alternative source of energy required.

- **Capital investment on energy conservation equipment;**

During the year under review, the Company has not incurred any capital expenditure on the energy conservation equipment.

ii TECHNOLOGY ABSORPTION:

- **The efforts made towards technology absorption**

The Company is consistently investing in adopting and building competency in contemporary technologies. The technical personnel have been successful in adopting and innovating in the new technologies. The Company has been updating and is in line with technological changes and developments taking place globally.

- **The benefits derived like product improvements, cost reductions, product development or import substitutions**

The Company has been updating and is in line with technological changes and developments taking place globally.

- **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –**

There is no import of technology during the financial year under review which can be reported under this clause.

iii FOREIGN EXCHANGE EARNINGS AND OUTGO

As on the financial year ending March 31, 2022, the foreign exchange earnings are ₹ 769.96 million and the foreign exchange outgo is ₹ 103.71 million. This includes value of Exports, Imports and Expenditure in Foreign Currency.

Risk management

The Company periodically reviews the risk profile and management’s plans to identify the risks and mitigate / minimize the risks. The Board evaluates the existing as well as anticipated risks and the strategy to mitigate those risks within a defined time frame. The Board does not foresee any material risks which may threaten the existence of the Company.

Disclosures under sexual harassment of women at workplace (prevention, prohibition & redressal) act, 2013

The Company is committed to provide a safe and conducive work environment to its employees. The Company has a policy on prevention of sexual harassment at workplace and has put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. The Company has duly constituted Internal Committee under the said policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the financial year under review, no case of sexual harassment was reported.

Development and implementation of corporate social responsibility policy

The Corporate Social Responsibility (CSR) Committee (“the Committee”) of the Company has approved contribution towards various activities that are covered under Schedule VII of the Companies Act, 2013. The Company has spent ₹1,094,737 during the year towards these eligible activities by way of contribution to educational institutions which are primarily focused on promotion of education. The statement comprising of the details pertaining to the spending on CSR activities and the CSR policy of the Company has been annexed to this report as Annexure A.

Research & development

The Company has developed sound infrastructure for research and development activities, which is being utilized to the optimum extent in the Company’s research and development activities. The Company is right now focusing its research and development activities in the areas of Advanced Driver monitoring and In-Cabin monitoring solutions, imaging and video analytics algorithms and multimedia system software.

Proposed

- **Research and Development:**

Since inception of the Company and in pursuit of R&D endeavors, the Company is regularly incurring expenditure on R&D on development & validation of new products, continuous improvement of existing products for enhanced durability and performance, product optimization by using advanced technology.

- **Benefits:**

Upgradation of products to the new requirements has been possible because of R&D carried out in the Company on a continuous basis.

- **Future Plan of action:**

Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavors.

- **Expenditure on R&D:**

The expenditure on R&D activities incurred during the year is given hereunder:

Particulars	For the year ending March 31, 2022 (₹ in million)
Capital Expenditure	0.15
Revenue Expenditure	43.77
Total R & D Expenditure	43.92
Total Turnover	976.89
Total R&D Expenditure as a percentage of Total turnover	4.49%

Details of subsidiaries/joint ventures/associate companies

The Company had set up a wholly owned subsidiary - PathPartner Technology, Inc. in California, USA in the year 2010. In the FY 2018-19, the Company incorporated a wholly owned subsidiary- PathPartner Technology GmbH, in Frankfurt, Germany.

Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement

- The overseas subsidiary Company in the USA (viz., PathPartner Technology, Inc.) has established a decent delivery capability over the last 8 years and has recorded a turnover of \$4,189,798 and has recorded profit before tax of \$454,306 during the current financial year.
- The overseas subsidiary Company in the Germany (viz., PathPartner Technology GmbH) has recorded a turnover of €164,700 and has recorded loss of € 25,546 during the current financial year.

As per Section 129 of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014, shareholders of the Company have consented for availing exemption from presenting consolidated financial statements of the Company and its subsidiaries as the Ultimate Holding Company ("KPIT Technologies Limited") will be presenting the consolidated financial statements.

Statement containing salient features of the financial statement of Subsidiaries of the Company in Form No. AOC-1 has been annexed to this report as Annexure B.

Internal financial controls

The Company has adequate internal financial controls such as defining authority to authorize financial transactions, Internal Audit and monthly review of financial statement mechanism in vogue.

Particulars of contracts or arrangements with related parties under section 188(1) companies act, 2013

The details of transactions with the related parties in terms of existing contracts are mentioned in notes to the accounts and also detailed in Form No. AOC-2 which has been annexed as Annexure C to this report. All the related party transactions as such are in the ordinary course of business and are at arm's length basis.

Explanations on qualifications

No qualifications, reservation or adverse remark or disclaimer on the financial statements for the year ended March 31, 2022, prepared as per Section 133 of Companies Act, 2013 and notes on Accounts annexed thereto have been made by the Statutory auditors of the Company.

Detail of fraud as per auditor's report

There is no fraud in the Company during the financial year under review. This is also being supported by the report of the Auditors of the Company as no fraud has been reported in their Audit Report for the Financial Year 2021-22.

Deposits

The Company has neither accepted nor renewed any deposits during the financial year under review.

Audit committee

The constitution of the audit committee is not applicable to the Company.

Vigil mechanism

This is not applicable to the Company.

Maintenance of cost records

The maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is not applicable to the Company.

Statement by independent directors and formal annual evaluation

The provisions relating to appointment of Independent Director and formal annual evaluation is not applicable to the Company.

Insolvency and bankruptcy code

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the financial year.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

The same is not applicable to the Company.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders have been passed during the financial year under review by any judicial bodies or regulators, having an impact on the going concern status and Company's operations in future.

Acknowledgements

The Directors thank the customers, vendors, shareholders, bankers and auditors for their continued support during the year. The Directors specially thank employees for their relentless contribution to the growth of the Company. The Directors also pay their homage to the patrons behind this initiative who have sought eternal abode.

By order of the Board of Directors**PathPartner Technology Private Limited****Tushar Kanti Adhikary**

Managing Director (DIN: 00362585)

Girish Chandra Sabat

Whole-time Director (DIN: 00913757)

Place: Bengaluru

Date: July 21, 2022

Annexure – A

ANNUAL REPORT ON CSR ACTIVITIES**1. Brief Outline on CSR Policy of the Company:**

The CSR policy of the Company focuses on addressing critical social, environmental and economic needs of the underprivileged and deserving sections of the society. The Company adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact. All projects are identified in a participatory manner, in consultation with the community, literally sitting with them and gauging their basic needs. The Company resources to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the participating teams, projects are prioritized. Arising from this, the focus areas that have emerged are education health care, sustainable livelihood, infrastructure development and espousing social causes.

2. Composition of CSR Committee:

Sr. No.	Name	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kishor Parshuram Patil	Chairman	1	1
2.	Mr. Rajesh Janwadkar	Member	1	1
3.	Mr. Tushar Kanti Adhikary	Member	1	1
4.	Mr. Girish Chandra Sabat	Member	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

www.pathpartnertech.com/about-us

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable

The Impact Assessment is not applicable to the Company as the total obligation for CSR spending does not exceed ₹ 10 Crores.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per section 135(5): ₹ 5,08,37,576/-

7. Two percent of average net profit of the Company as per section 135(5)

Particulars	Amount (In ₹)
2% of the average net profit	1,016,752/-
Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
Amount required to be set off for the financial year, if any	NIL
Total CSR obligation for the financial year	1,016,752/-

8. CSR amount spent or unspent for the financial year

a. CSR amount spent or unspent

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,094,737	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

b. Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities Schedule VII	Local area yes/ No	Location of the Project	Project Duration	Amount allocated For the Projects (in ₹)	Amount Spent in Current year (in ₹)	Amount transferred To Unspent CSR account	Mode of Implementation – Direct Yes/No	Mode of Implementation – through Implementation Agency. Name and CSR Registration No.
1	Building Lab infrastructure for school	Education	No	West Bengal	NA	790,000	840,000	-	Direct	-
2	School Basic Infrastructure	Education	No	Odisha	NA	150,000	200,000	-	Direct	-

c. Details of CSR amount spent against **other than ongoing projects** for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII	Local Area Yes /No	Location of the Project State/ District	Amount Spent For the Projects (in ₹)	Mode of Implementation – Direct Yes/No	Mode of Implementation - through Implementation Agency Name and CSR Registration No.
-	-	-	-	-	-	-	-

d. Amount spent in Administrative Overheads: ₹ 54,737/-

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the Financial Year: ₹ 1,094,737/-

g. Excess amount for set off, if any

Sl. No	Particular	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	1,016,752/-
ii.	Total amount spent for the Financial Year	1,094,737/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	77,985/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	77,985/-

9. A. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)	(7)			(8)	
Sl. No.	Preceding Financial Year	Amount Transferred To Unspent CSR Account (in ₹)	Amount Spent In the Reporting Financial Year (in ₹)	Location Of the Project Sate District	Amount Spent For the Projects (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			amount remaining To be spent In the Succeeding Financial year (in ₹)	
						Name of the Fund	Amount (in ₹)	Date of transfer		
Nil										

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name Of The Project	Financial Year In which Project Was Commenced	Project Duration	Total Amount Allocated For the Projects (in ₹)	Amount spent On the Project In the Reporting year (In ₹)	Cumulative amount spent At the End of The year (in ₹)	Status of Project Completed/ On going
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
 - (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

We hereby declare that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

By order of the Board of Directors
PathPartner Technology Private Limited

Tushar Kanti Adhikary
Managing Director (DIN: 00362585)

Kishor Patil
Chairman of CSR Committee (DIN: 00076190)

Place: Bengaluru
Date: July 21, 2022

Annexure - B

FORM NO. AOC -1**Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures**

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

Part "A": Subsidiaries

Sr. No.	Particulars	Details	Details
1.	Name of the subsidiary	PathPartner Technology Inc.	PathPartner Technology GmbH
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as the Holding Company	Same as the Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Dollar Exchange Rate: Closing Rate: 75.8071 Average Rate: 74.4271	Euro Exchange Rate: Closing Rate: 84.6599 Average Rate: 86.3784
4.	Share capital	50,000	25,000
5.	Reserves & surplus	621,048	(61,434)
6.	Total assets	1,060,405	102,682
7.	Total Liabilities	1,060,405	102,682
8.	Investments	Nil	Nil
9.	Turnover	4,189,798	164,700
10.	Profit before taxation	454,306	(25,546)
11.	Provision for taxation	70,894	-
12.	Profit after taxation	383,412	(25,546)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Name of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Part “B”: Associates and Joint Ventures

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

Notes:

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

By order of the Board of Directors
PathPartner Technology Private Limited

Tushar Kanti Adhikary
Managing Director (DIN: 00362585)

Girish Chandra Sabat
Whole-time Director (DIN: 00913757)

Place: Bengaluru
Date: July 21, 2022

Annexure - C

FORM NO. AOC -2

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid/ received as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
PathPartner Technology, Inc. Wholly Owned Subsidiary	1. Sales & Marketing Services 2. Technical Services 3. Security deposit and Guarantee given	1. This contract is effective from 1 st January 2013 and shall be valid until terminated, as per the provisions of this agreement. 2. This contract is effective from 25 th September, 2017 and shall be valid until terminated, as per the provisions of this agreement. 3. The guarantee and security deposit was given by PathPartner Technology, Inc. as per the tri-party agreement executed on 18 th October 2019 and was terminated during the year	1. Under this contract, PathPartner Technology, Inc. provides Sales & Marketing services to PathPartner Technology Pvt. Ltd. 2. Under this contract, PathPartner Technology Pvt. Ltd provides Technical services to PathPartner Technology, Inc. 3. Under this agreement, PathPartner Technology, Inc. had provided guarantee and a security deposit of US \$15,000 to a customer of PathPartner Technology Pvt Ltd.	Transactions are in the ordinary course of business and at an arm's length basis. Hence approval of the Board is not required.	Nil

By order of the Board of Directors
PathPartner Technology Private Limited

Tushar Kanti Adhikary
Managing Director (DIN: 00362585)

Girish Chandra Sabat
Whole-time Director (DIN: 00913757)

Place: Bengaluru
Date: July 21, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of PathPartner Technology Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PathPartner Technology Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of 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 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.

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.

Other Matter

The financial statements of the Company for the year ended 31 March 2021 and the transition date opening balance sheet as at 1 April 2020 prepared in accordance with Ind AS included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the financial statements for the year ended 31 March 2021 and the opening balance sheet dated 27 January 2022 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the 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 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 45 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There is an instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022 - INR 0.25 million declared in Seventh Annual General Meeting of the Company held on 30 September 2013. There is a delay of 549 days in transferring the said amounts to Investor Education and Protection Fund.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

- e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W -100022

Swapnil Dakshindas

Partner

Membership No. 113896

UDIN: 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF PATHPARTNER TECHNOLOGY PRIVATE LIMITED

FOR THE YEAR ENDED 31 MARCH 2022

Referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of the Company on the financial statements for the year ended 31 March 2022, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company is a service company, primarily rendering Product Engineering solutions and services to Automobile and Mobility Sector.
Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(d) of the Order are not applicable to the Company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were extended:

Name of the parties	Aggregate amount dues renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
PathPartner Technology GmbH, Germany	INR 4.28 million	100%*

* There was only extension of existing loan. No new loans granted during the year

- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Cess.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Karnataka GST Act, 2017	Interest liability	2,134,012	FY 2017-18 & FY 2018-19	Assistant Commissioner of Commercial Taxes
Income Tax Act, 1961	TDS	1,19060	FY 2019-20 & FY 2020-21	Income tax Traces portal

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) and 3(ix)(d) of the Order is not applicable.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not hold any investment in any joint ventures or associate (as defined under Companies Act, 2013) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any joint ventures or associate (as defined under Companies Act, 2013) during the year ended 31 March 2022.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W -100022

Swapnil Dakshindas

Partner

Membership No. 113896

UDIN: 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF PATHPARTNER TECHNOLOGY PRIVATE LIMITED

FOR THE PERIOD ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of PathPartner Technology Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

Auditors' 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, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether 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 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 such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls 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 controls with reference to financial statements include 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 controls 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.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W -100022

Swapnil Dakshindas

Partner

Membership No. 113896

UDIN: 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

BALANCE SHEET

AS AT 31 MARCH 2022

(All Amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
ASSETS				
Non-current assets				
Property, plant and equipment	3	38.71	33.71	35.36
Capital work-in-progress	3.1	-	-	2.38
Right-of-use assets	4	26.12	52.45	78.77
Other intangible assets	5	5.07	3.70	3.18
Financial assets:				
(i.) Investments in subsidiaries	6	2.88	5.00	5.00
(ii.) Other financial assets	7	26.08	11.55	15.26
Deferred Tax Asset	8	42.92	17.10	29.18
Income tax assets (net)	9	7.06	17.13	16.51
		148.84	140.64	185.64
Current assets				
Inventories	10	-	1.72	0.66
Financial assets				
(i.) Investments	11	71.19	6.83	6.33
(ii.) Trade receivables				
- Billed	12	194.00	167.47	116.30
- Unbilled		13.46	33.44	21.25
(iii.) Cash and cash equivalents	13	34.20	54.95	48.91
(iv.) Balances with Banks other than (iii) above	13	46.73	28.72	27.64
(v.) Loans	14	-	4.36	-
(vi.) Other financial assets	15	24.39	5.73	9.57
Income tax assets (net)	16	-	3.14	3.21
Other Current assets	17	80.53	31.59	45.40
		464.50	337.95	279.27
Total assets		613.34	478.59	464.91
EQUITY AND LIABILITIES				
Equity				
Equity share capital	18	10.79	10.56	10.56
Other equity	19	329.99	282.16	240.33
		340.78	292.72	250.89
Liabilities				
Non-current liabilities				
Financial liabilities				
(i.) Lease liabilities	4,20	3.22	28.74	55.67
Provisions	21	51.82	47.26	37.52
		55.04	76.00	93.19
Current liabilities				
Financial liabilities				
(i.) Borrowings	22	-	-	24.40
(ii.) Lease liabilities	4,23	28.88	32.16	29.50
(iii.) Trade payables	24			
- Total outstanding dues of micro enterprises and small enterprises.		1.32	0.29	1.18
- Total outstanding dues of creditors other than micro and small enterprises.		20.52	38.70	14.20
(iv.) Other financial liabilities	25	31.15	19.16	34.52
Other current liabilities	26	40.80	11.19	9.73
Provisions	27	94.85	8.37	7.30
		217.52	109.87	120.83
TOTAL EQUITY AND LIABILITIES		613.34	478.59	464.91

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

FRN: 101248W / W-100022

For and behalf of the Board of Directors of

PathPartner Technology Private Limited

SWAPNIL DAKSHINDASPartner
M. No. 113896
UDIN : 22113896AHYJQW9193Place: Pune
Date: 27 April 2022**KISHOR PATIL**Director
DIN: 00076190Place: Pune
Date: 22 April 2022**TUSHAR K ADHIKARY**Director
DIN: 00362585Place: Bengaluru
Date: 22 April 2022**GIRISH CHANDRA SABAT**Director
DIN: 00913757Place: Bengaluru
Date: 22 April 2022

STATEMENT OF PROFIT AND LOSS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing operations			
Revenue from operations	28	976.89	724.08
Other income	29	23.12	9.17
Total Income		1,000.01	733.25
Expenses:			
Purchases of Stock-in-Trade	30	-	3.48
Changes in inventories of Stock-in-Trade	31	-	(0.31)
Employee benefit expenses	32	618.62	409.79
Finance costs	33	3.55	5.62
Depreciation and amortization expenses	3, 4, 5	41.19	38.76
Other expenses	34	212.06	155.13
Total expenses		875.42	612.47
Profit before tax and exceptional items from continuing operations		124.59	120.78
Exceptional Item - Provision for customer claims (Also, Refer Note No. 27.1)		72.75	-
Profit before tax expense		51.84	120.78
Tax expense	35		
Current tax		30.81	8.65
Deferred tax (benefit)/charge		(19.68)	26.99
Total tax expense		11.13	35.64
Profit after tax for the year from continuing operations (A)		40.71	85.14
Discontinued operations			
Loss for the year from discontinued operations before tax	36	(29.07)	(55.06)
Tax expense of discontinued operations		(7.32)	(13.86)
Loss for the year from Discontinued operations (B)		(21.75)	(41.20)
Profit for the year (C) = (A)+(B)		18.96	43.94
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss statement			
Remeasurement of defined benefit plans - gain/(loss)		5.59	(4.13)
Income tax on items that will not be re-classified to profit or loss		(0.91)	1.04
Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		1.05	-
Income tax on items that will be reclassified to profit or loss		(0.26)	-
Total Other Comprehensive Income for the year (D)		5.47	(3.09)
Total Comprehensive Income for the year (C)+(D)		24.43	40.85
Earnings per equity share (Face value per share ₹ 10/- each)	41		
Earnings per equity share - continuing Operations			
Basic Earnings per share		38.13	80.60
Diluted Earnings per share		36.97	78.09
Earnings per equity share - discontinued Operations			
Basic Earnings per share		(20.37)	(39.00)
Diluted Earnings per share		(20.37)	(39.00)
Total Earnings per equity share - Continuing and discontinued Operations			
Basic Earnings per share		17.76	41.59
Diluted Earnings per share		17.22	40.30

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

FRN: 101248W / W-100022

For and behalf of the Board of Directors of

PathPartner Technology Private Limited

SWAPNIL DAKSHINDASPartner
M. No. 113896
UDIN : 22113896AHYJQW9193Place: Pune
Date: 27 April 2022**KISHOR PATIL**Director
DIN: 00076190Place: Pune
Date: 22 April 2022**TUSHAR K ADHIKARY**Director
DIN: 00362585Place: Bengaluru
Date: 22 April 2022**GIRISH CHANDRA SABAT**Director
DIN: 00913757Place: Bengaluru
Date: 22 April 2022

STATEMENT OF CASH FLOWS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax from continuing and discontinued operations	22.78	65.72
Adjustments for:		
Depreciation & amortisation expense	42.04	42.58
Loss on disposal of Property, plant and equipment	0.85	-
Interest Income	(1.34)	(1.60)
Provision for doubtful debts and advances (net)	2.51	0.60
Dividend from mutual fund investments	(1.26)	(0.64)
Interest expense	-	0.14
Finance cost on lease liabilities	3.36	5.24
Fair value adjustment to security deposits, net.	(0.62)	(0.73)
Re-measurement gains on defined benefit plans through OCI	-	(4.13)
Net unrealised foreign exchange (gain)/loss on cash and cash equivalents	(0.98)	0.32
Gain on sale of business (Refer Note 36)	(6.62)	-
Provision for claims	82.13	-
Provision for impairment	6.72	-
Share based compensation expenses	23.12	0.98
Others	0.08	-
Operating profit before working capital changes	172.77	108.48
Adjustment for net changes in working capital:		
Trade receivables	(9.06)	(63.96)
Other financial assets	(11.24)	8.06
Non financial assets	(48.94)	13.81
Inventories	1.72	(1.06)
Trade payables	(17.15)	23.61
Provisions	8.93	10.81
Financial and other liabilities	47.14	(13.84)
Cash generated from operations	144.17	85.91
Income taxes paid (net of tax refunds)	(17.60)	(8.81)
Net cash generated from operating activities (A)	126.57	77.10
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipment and intangible assets	(22.94)	(12.76)
Sale of property, plant and equipment and intangible assets	0.00	-
Proceeds from sale of product business	6.00	-
Investments in mutual funds (including dividend reinvested)	(134.36)	(173.93)
Proceeds from sale of Investments in Mutual Funds	70.00	173.44
Dividend received	1.26	0.64
Loan given to subsidiary company (net of interest)	-	(4.30)
Investment in subsidiary	-	(0.70)
Proceeds from sale of investment in subsidiary	-	0.70
Investment in Fixed deposits with Bank having maturity over 3 months	(36.94)	(1.08)
Interest received	0.32	1.34
Net cash used in Investing activities (B)	(116.66)	(16.65)

STATEMENT OF CASH FLOWS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from shares issued under ESOP scheme including premium	0.52	-
Repayment of loan from banks	-	(24.40)
Lease Payments*	(32.16)	(29.50)
Interest paid during the year	-	(0.19)
Net cash used in financing activities (C)	(31.64)	(54.09)
Cash and cash equivalents		
At the beginning of the year	54.95	48.91
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(21.73)	6.36
Adjustment for exchange rate fluctuations on cash and cash equivalents	0.98	(0.32)
At the end of the year	34.20	54.95

Note: Cash flows from operating activities are reported using the indirect method and amounts in paranthesis represents cash outflow

*Reconciliation of liabilities from financing activities for the year ended 31 March 2022:

Particulars	Leases (Refer note 4)
Balance at the start of the year	60.91
Less: Cash outflow (Repayment of loans and payment of lease liabilities)	32.16
Add: Non-cash changes	3.36
Closing balance at the end of the year	32.11

*Reconciliation of liabilities from financing activities for the year ended 31 March 2021:

Particulars	Leases (Refer note 4)
Balance at the start of the year	85.17
Less: Cash outflow (Repayment of loans and payment of lease liabilities)	29.50
Add: Non-cash changes	5.24
Closing balance at the end of the year	60.91

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

FRN: 101248W / W-100022

For and behalf of the Board of Directors of

PathPartner Technology Private Limited

SWAPNIL DAKSHINDAS

Partner

M. No. 113896

UDIN : 22113896AHYJQW9193

KISHOR PATIL

Director

DIN: 00076190

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Director

DIN: 00913757

Place: Pune

Date: 27 April 2022

Place: Pune

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

(All Amounts in Indian Rupees in millions, unless otherwise stated)

A. Equity share capital

Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
10.56	-	-	0.23	10.79

Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
10.56	-	-	-	10.56

B. Other equity

	Reserves & surplus				Items of other comprehensive income		Total
	Securities premium account	Share based payment reserve	General Reserve	Retained earnings	Remeasurement of the net defined benefit Plan	Effective portion of cash flow hedges	
Balance as at 1 April 2020	9.00	2.08	6.81	222.44	-	-	240.33
Profit for the year	-	-	-	43.94	-	-	43.94
Transfer from share option outstanding	-	(0.08)	0.08	-	-	-	-
Shared based payments to employees	-	0.98	-	-	-	-	0.98
Other comprehensive loss (net of tax)	-	-	-	-	(3.09)	-	(3.09)
Balance as at 31 March 2021	9.00	2.98	6.89	266.38	(3.09)	-	282.16
Profit for the year	-	-	-	18.96	-	-	18.96
Premium on shares allotted under ESOP scheme	0.29	-	-	-	-	-	0.29
Transfer from share option outstanding	-	(2.27)	2.27	-	-	-	-
Shared based payments to employees	-	23.12	-	-	-	-	23.12
Other comprehensive loss (net of tax)	-	-	-	-	4.67	0.78	5.46
Balance as at 31 March 2022	9.29	23.83	9.16	285.34	1.58	0.78	329.99

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

Nature and purpose of reserves:

i) Securities premium account

The amount received in excess of the par value of equity shares has been classified as securities premium.

ii) Share based payment reserve

Share based payment reserve is used to record the fair value of equity-settled share-based payment transactions with employees. Refer note 39 for the details of employee stock options .

iii) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

iv) Retained earnings

It comprises of the undistributed accumulated earnings of the Company as on the balance sheet date. This amount can be distributed as dividend to equity shareholders.

v) Items of other comprehensive income

Items of other comprehensive income/(loss) consist of re-measurement of net defined benefit liability/asset.

See accompanying notes to the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

FRN: 101248W / W-100022

For and behalf of the Board of Directors of

PathPartner Technology Private Limited

SWAPNIL DAKSHINDAS

Partner

M. No. 113896

UDIN : 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

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Place: Bengaluru

Date: 22 April 2022

GIRISH CHANDRA SABAT

Director

DIN: 00913757

Place: Bengaluru

Date: 22 April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 About PathPartner Technology Private Limited

PathPartner Technology Private Limited ("the Company") a private limited company incorporated on 6th July, 2006 with CIN: U72900KA2006PTC039891 and having its registered office at Bengaluru, is predominantly engaged in the business of developing embedded solutions and conduct research activities in the areas of automotive driver assistance system & infotainment, automotive in-cabin sensing, multimedia and Internet-of-things. The In-house research activity carried on by the Company is approved by Department of Scientific and Industrial Research, Government of India.

These financial statements have been prepared and approved by the Board of directors on 22 April 2022.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

a. Basis of preparation of financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. These financial statements comprises of Balance sheet, Profit and Loss Statement, Statement of changes in Equity, Cash Flow Statement and notes. The financial statements are presented in millions of Indian rupees rounded off to two decimal places, except per share information, unless otherwise stated.

As this is the first year of company's financial statements being prepared in accordance with Ind AS, Ind AS 101, first time adoption of Ind AS has been applied. The effect of first time adoption of Ind AS on the financial position, its performance and its cashflows are detailed in Note No. 2.23 wherein the Company has presented a reconciliation from the presentation of Financial Statement under Accounting Standard notified under the Companies (Accounting Standard) Rules, 2014 (Previous GAAP) to Ind AS of Shareholder's equity as on 31 March 2021 and 1 April 2020 and of comprehensive net income for the year ended 31 March 2021.

These financial statements have been prepared on the historical cost basis, except for share based payments, defined benefit obligations and certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The statement of cash flows has been prepared under the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in schedule III to "the act". Based on the nature of services rendered and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities, which is considered appropriate by the Management.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian Accounting Standards requires that the management make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenditure during the reporting year. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could sometimes differ from the estimates and such differences are recognised in the year in which the results are ascertained.

Critical accounting estimates

Revenue Recognition

The Company uses the percentage-of completion method in accounting for its fixed-price contracts. Use of the percentage of-completion method requires the Company to determine the costs expended to date as a

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

proportion of the total estimated costs to be expended. Costs expended have been used to measure progress towards completion as generally it is estimated that there is a direct relationship between input costs and output in respect of work completed.

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 period end date.

Measurement of defined benefit obligation, key actuarial assumptions and share based payments

Significant assumptions and judgements are involved in determining the obligation under employee defined benefit obligations and Share based payment plans. (Refer Note No.2.14 and Note No. 2.15 below)

Useful lives of property, plant and equipments

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer Note 2.6 below)

Income tax

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (if any).

Valuation of deferred tax assets

The Company reviews carrying amount of deferred tax asset at the end of each reporting period. The policy has been explained under note 2.16.

Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to recognise provision and to disclose contingent liabilities. (Refer Note 2.18)

Leases

The Company evaluates if an arrangement qualifies to be a lease as per Ind-AS 116. Identification of a lease requires significant judgment including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Company and affects whether it is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term. (Refer Note 2.17)

2.3 Cash Flow Statement

The cash flows of the company are segregated into operating, investing and financing activities. Cash Flow statement is prepared in accordance with Ind AS-7, Cash Flow Statement, using the indirect method to determine cash flows from operating activities. Cash & cash equivalents for the purpose of cash flow statement comprise of cash in hand, demand deposit placed with banks and term deposit with banks (with an original maturity of three months or less).

2.4 Revenue recognition

The company derives its revenue primarily from contracts with customers for sale of services. The company also derives revenue from sales of hardware modules. These sales are net of returns, rebates and applicable taxes.

Sale of Services

Revenue from sale of services comprises of sale of software development services, licensing of software products and sale of hardware modules. Agreements with customers for software development and related services are either on a fixed price or on a time & material basis. Agreements for licensing of software products are in the form of fixed price and per unit royalty.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Revenue from time and material contracts are recognised on a monthly basis after the services are rendered as per the terms of the agreement. Revenue from fixed price contracts is recognised using the percentage of completion method, calculated as the proportion of the cost of efforts incurred up to the reporting date to the estimated total cost of efforts after considering various agreed upon milestones. The reimbursement of expenses received are netted off against the respective expenses. Any expected losses on the contracts are recognised as expense immediately.

Revenue from Software license fee is recognised on execution of the licensing agreement and invoicing, considering the terms of the contract. Revenue from maintenance services is recognised over the period of maintenance contract.

The expected losses on the incomplete contracts are recognised immediately in the year in which such losses become probable based on the current contract estimates. Unbilled Revenue represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent year.

Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. Costs expended have been used to measure progress towards completion as generally there is a direct relationship between input and output in respect of work completed.

Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

Revenue from client training, support and other services arising due to the sale of software products is recognised as the services are performed.

The following are the details of key significant accounting policies related to revenue recognition for all the above mentioned categories:

- a. Revenue in excess of invoicing is classified either as contract asset (unbilled revenue) or financial asset (unbilled revenue), while invoicing in excess of revenue is classified as contract liabilities (unearned revenue).
- b. Unbilled revenue is classified as contract asset when there is a right to consideration in exchange for goods or services which is conditional on something other than the passage of time. Whereas, it is classified as financial asset when such right to consideration in exchange for goods or services is conditional only on passage of time.
- c. Amount billed in advance, without services being rendered, is classified as unearned revenue (contract liabilities).
- d. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs.
- e. When there is an uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
- f. In accordance with Ind-AS 37, provision for onerous contract/ estimated losses, if any, on uncompleted contracts are recorded in a period in which such losses become probable based on the expected contract estimates at the period end date.
- g. The Company presents revenues net of indirect tax in its Statement of Profit and Loss.
- h. In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Sale of Goods

Revenue from sale of hardware module is recognized on transfer of possession and risk which normally coincides with the dispatch of modules to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Other Income

Interest Income: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income : Dividend from investments in shares or mutual funds are recognised when the right to receive payment is established.

Insurance claims: Insurance claims are recognised when such expenses or loses covered by the insurance are incurred and there is no uncertainty as to amount of recovery and its ultimate collection.

2.5 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

- i) it is expected to be settled in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 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 liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

2.6 Property, Plant and Equipment ("PPE") and Depreciation

Property, Plant and Equipment are stated at its carrying cost which is an amount at which an asset is recognised after deducting accumulated depreciation and impairment losses (if any). Direct costs specifically attributable to the acquisition and installation of Property, Plant and Equipment like freight and other costs are capitalised till the assets are ready to be put to use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation is provided after considering 5% residual value on straight line method over the useful lives of the Property, Plant and Equipment as estimated by the management which is based on the estimated useful lives as per schedule II of the Companies Act, 2013. All the additions to PPE during the year have been depreciated based on the number of days from the date it is put to use during the year.

Asset Description	Estimated Useful lives
Leasehold improvements	Over the primary lease period
Computers (Including Servers)	6 Years
Testing equipments	4 Years ⁽¹⁾
Furniture & fixtures	10 Years
Office equipments	5 Years

⁽¹⁾For this class of asset, based on internal assessment, the useful life as given above is believed to best represent the period over which the asset is expected to be used. Hence, the useful life for this asset is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition:

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

2.7 Intangible Assets and Amortisation

Computer software giving rise to future economic benefit is recognized as intangible assets and are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any

Computer software is amortized over the lower of licence period or estimated useful life of 4 Years on a straight line basis.

2.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories include cost of purchase/ acquisition and all other costs like freight, taxes and duties (not recoverable from the taxing authorities) and other sums incurred to bring the goods to its location and condition on the date of valuation. Cost has been determined on the First-in-First-Out method.

2.9 Foreign Currency

The functional currency of the Company is Indian Rupee, which is also the company's presentation currency. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated and Non-monetary assets that are measured at fair value in a foreign currency are translated using exchange rate at the date when fair value is determined. All foreign exchange gains and losses are presented in financial statements on net basis.

2.10 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a short maturity of three months or less from the date of investment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.11 Finance costs

Finance costs include interest cost on borrowings and lease liabilities. Borrowing costs are recognised using effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

2.12 Research and development:

Costs incurred during the research phase of a project are expensed when incurred. Costs incurred in the development phase are recognised as an intangible asset in accordance with policy defined in 2.7.

2.13 Dividend

The Company declares and pays dividends in Indian rupees. Final dividend and interim dividend on equity shares are recorded as a liability on the date of approval by the shareholders and on the date of declaration by the Company's Board of Directors respectively.

2.14 Employee Benefits

Employee benefits include contribution to provident fund, gratuity fund, compensated absences, pension and employee state insurance scheme. Employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc. and are recognised as expense in the period in which the employee renders the related service.

Defined benefit plans:

Gratuity and Pension are defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations, being carried out at the date of each statement of financial position. The retirement benefit obligations recognized in the statement of financial position represents the present value of the defined obligations reduced by the fair value of scheme assets. Any, asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Defined contribution plans:

Contributions to defined contribution plans like provident fund are recognized as expense when employees have rendered services entitling them to such benefits and contributions have been made. The Company makes monthly contribution towards provident fund obligation to the regional provident fund authorities. The Company has no further obligation in this regard beyond the amount of fixed contributions made.

Compensated absences:

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are stated as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

2.15 Share Based Payment

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognises employee compensation expense, using the fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

entitled to apply for the shares. Under Ind AS, the cost of the equity settled share based payments plan are recognised on the fair value as at the grant date. The total expenses is recognised over the vesting period, which is the period over which all the specified vesting conditions are to satisfied.

2.16 Taxes on Income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense includes income taxes payable by the Company in India and overseas. The current tax payable by the Company in India is Indian income tax payable for their worldwide income after taking credit for tax relief available taxes paid outside India. Current income tax payable by the Company is computed in accordance with the substantially enacted tax laws applicable in India. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Minimum Alternate Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.17 Leases

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

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

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

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies Ind-AS 115 Revenue to allocate the consideration in the contract.

2.18 Provisions, Contingent liabilities and Contingent assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

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No provision is recognised for –

- a. Any possible obligation that arises from past events and 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
- b. Present obligations that arise from past events but are not recognised because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognised in the standalone financial statements since this may result in the recognition of income that may never be realised.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

2.19 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined for each period presented.

2.20 Financial instruments

I. Initial Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially recognised at transaction price. 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.

II. Subsequent measurement

a. Non-derivative financial instruments

Cash and cash equivalents

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

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Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business 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 through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives 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 through profit or loss [FVTPL]

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

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

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes. The counter-party to the Company's foreign currency forward contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in the statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

Cash flow hedge

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors, which provides written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitments and highly probable forecast transactions.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting dates. The effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions any cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve is retained until the forecast transaction occurs. When a hedged transaction occurs or is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedging reserve is transferred to the Statement of Profit and Loss.

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The amount recognised in Other Comprehensive Income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the Statement of Profit and Loss and other comprehensive income.

III. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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

IV. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets, the Company uses discounted cash flow analysis method for the fair value of its financial instruments except for employee stock options, where Black and Scholes options pricing model is used. The method of assessing fair value results in general approximation of value and such value may never actually be realised.

For all other financial instruments the carrying amount approximates fair value due to short maturity of those instruments.

2.21 Impairment

i. Financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind-AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recorded as an impairment gain or loss in the Statement of Profit and Loss.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. While assessing the recoverability of receivables including unbilled receivables, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company expects to recover the carrying amount of these assets.

ii. Non-financial assets

Property, plant and equipment and Intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.22 Recent pronouncements:

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

Ind-AS 103 – Reference to Conceptual Framework

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

Ind-AS 16 – Proceeds before intended use

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

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

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

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

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

Ind-AS 106 – Annual Improvements to Ind AS (2021)

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

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

2.23 Effect/ Adjustments pursuant to adoption of Ind AS:

(I) Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS as at the date of transition on 01 April 2020

Particulars	Notes	IGAAP	Effects of transition	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	A (1)	35.36	-	35.36
Capital work-in-progress		2.38	-	2.38
Right-of-use assets	B (3)	-	78.77	78.77
Other intangible assets	A (1)	3.18	-	3.18
Financial assets:				
(i.) Investments	A (2)	5.00	-	5.00
(ii.) Other financial assets	B (3)	44.50	(29.24)	15.26
Deferred Tax Asset	B (3)	26.98	2.20	29.18
Income tax assets (net)		16.51	-	16.51
		133.91	51.74	185.64
Current assets				
Inventories		0.66	-	0.66
Financial assets				
(i.) Investments		6.33	-	6.33
(ii.) Trade receivables				
- Billed		116.30	-	116.30
- Unbilled		-	21.25	21.25
(iii.) Cash and cash equivalents		48.91	-	48.91
(iv.) Bank balances other than(iii) above		0.24	27.40	27.64
(v.) Other financial assets	B (3)	9.75	(0.18)	9.57
Income tax assets (net)		3.21	-	3.21
Other Current assets		66.65	(21.25)	45.40
		252.05	27.22	279.27
Total of Assets		385.96	78.95	464.91
EQUITY AND LIABILITIES				
Equity				
Equity share capital		10.56	-	10.56
Other equity	B (1)	246.54	(6.21)	240.33
		257.10	(6.21)	250.89
Liabilities				
Non-current liabilities				
(i.) Lease liabilities	B (3)	-	55.67	55.67
Provisions		37.52	-	37.52
		37.52	55.67	93.19
Current liabilities				
Financial liabilities				
(i.) Borrowings		24.40	-	24.40
(ii.) Lease liabilities	B (3)	-	29.50	29.50
(iii.) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		1.18	-	1.18
- Total outstanding dues of creditors other than micro enterprises and small enterprises		14.20	-	14.20
(iv.) Other financial liabilities		34.52	0.00	34.52
Other current liabilities		9.74	(0.01)	9.73
Provisions		7.30	-	7.30
		91.34	29.49	120.83
Total of Equity and Liabilities		385.96	78.95	464.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

(II) Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS As At 31 March 2021

Particulars	Notes	IGAAP	Effects of transition	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	A (1)	33.71	-	33.71
Right-of-use assets	B (3)	-	52.45	52.45
Other intangible assets	A (1)	3.70	-	3.70
Financial assets:				
(i.) Investments	A (2)	5.00	-	5.00
(ii.) Other financial assets	B (3)	41.15	(29.60)	11.55
Deferred Tax Asset	B (3)	14.57	2.53	17.10
Income tax assets (net)		17.13	-	17.13
		115.26	25.38	140.64
Current assets				
Inventories		1.72	-	1.72
Financial assets				
(i.) Investments		6.83	-	6.83
(ii.) Trade receivables				
- Billed		167.47	-	167.47
- Unbilled		-	33.44	33.44
(iii.) Cash and cash equivalents		54.95	-	54.95
(iv.) Bank balances other than(iii) above		0.25	28.47	28.72
(v.) Loans		4.36	-	4.36
(vi.) Other financial assets	B (3)	5.90	(0.17)	5.73
Income tax assets (net)		3.14	-	3.14
Other Current assets		65.02	(33.43)	31.59
		309.64	28.31	337.95
Total of Assets		424.90	53.69	478.59
EQUITY AND LIABILITIES				
Equity				
Equity share capital		10.56	-	10.56
Other equity	B (1)	289.37	(7.21)	282.16
		299.93	(7.21)	292.72
Liabilities				
Non-current liabilities				
Financial liabilities				
(i.) Lease liabilities	B (3)	-	28.74	28.74
Provisions		47.26	-	47.26
		47.26	28.74	76.00
Current liabilities				
Financial liabilities				
(i.) Lease liabilities	B (3)	-	32.16	32.16
(ii.) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		0.29	-	0.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises		38.70	-	38.70
(iii.) Other financial liabilities		19.16	-	19.16
Other current liabilities		11.19	-	11.19
Provisions		8.37	-	8.37
		77.71	32.16	109.87
Total of Equity and Liabilities		424.90	53.69	478.59

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

(III) Reconciliation of Profit and Loss Statement as previously reported under IGAAP to Ind AS for the year ended 31 March 2021

Particulars	Notes	IGAAP	Effects of transition	Ind AS
Revenue from operations		724.08	-	724.08
Other income	B (3)	8.44	0.73	9.17
Total Income*		732.52	0.73	733.25
Expenses:				
Purchases of Stock-in-Trade		3.48	-	3.48
Changes in inventories of Stock-in-Trade		(0.31)	-	(0.31)
Employee benefit expenses	A (3), B (4)	413.52	(3.74)	409.79
Finance costs	B (3)	0.39	5.24	5.62
Depreciation and amortization expenses	B (3)	12.44	26.32	38.76
Other expenses	B (3)	184.63	(29.50)	155.13
Total expenses*		614.15	(1.68)	612.47
Profit before tax and exceptional items from continuing operations		118.37	2.41	120.78
Tax expense				
Current tax		13.88	(5.23)	8.65
Deferred tax (benefit)/charge	B (2)	21.05	5.94	26.99
Total tax expense*		34.93	0.71	35.64
Profit after tax for the period from continuing operations		83.44	1.70	85.14
Discontinuing operations (Refer Note 36)				
Profit/(loss) for the period from discontinuing operations before tax		(55.06)	-	(55.06)
Total tax expense of discontinued operations		(13.86)	-	(13.86)
Profit/(loss) for the period from discontinuing operations		(41.20)	-	(41.20)
Profit after tax for the year		42.24	1.70	43.94
Other comprehensive income (OCI)				
Items that will not be reclassified to profit or loss statement				
Remeasurement of defined benefit plans - gain/(loss)	B (2)	-	(4.13)	(4.13)
Income tax on items that will not be re-classified to profit or loss		-	1.04	1.04
Other Comprehensive Income		-	(3.09)	(3.09)
Total Comprehensive Income for the year		42.24	(1.39)	40.85

* Note : The above IGAAP reported numbers are excluding the product business which was transferred during the year (Refer Note 36 for more details)

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

(IV) Reconciliation of total equity as at 31 March 2021 and as at 01 April 2020

Particulars	Notes	31 March 2021	01 April 2020
Total equity (shareholder's funds) as per previous GAAP		299.93	257.10
Adjustments:			
Adjustments on date of transition		(6.21)	-
Recognition of financial assets/liabilities at amortised cost- Security Deposit	B (3)	(4.51)	0.17
Depreciation and amortization- ROUA	B (3)	(26.32)	-
Rent expenses debited to profit and loss under IGAAP	B (3)	29.50	(8.58)
Tax effect on lease liabilities	B (3)	0.33	2.20
Total adjustments		(7.21)	(6.21)
Total equity as per Ind AS		292.72	250.89

(V) Reconciliation of total comprehensive income for the year ended 31 March 2021

Particulars	Notes	31 March 2021
Profit after tax as per previous GAAP		42.24
Adjustments:		
Actuarial loss on defined benefit plans recognised in OCI (net of tax)	B (3)	3.09
Expenses on Employee Stock options	A (3) & B (4)	(0.39)
Depreciation and amortization- ROUA	B (3)	(26.32)
Rent expenses debited to profit and loss under IGAAP	B (3)	29.50
Tax effect on lease liabilities	B (3)	0.33
Recognition of financial assets/liabilities at amortised cost	B (3)	(4.51)
Total adjustments		1.70
Profit after tax as per Ind AS		43.94
Other comprehensive income:		
Remeasurement of defined benefit plans (Gratuity) (net of tax)		(3.09)
Total comprehensive income as per Ind AS		40.85

(VI) The impact of transition from IGAAP to Ind-AS on the cash flows of the Company for the year ended 31 March 2021 are as under.

Particulars	IGAAP	Effects of transition	Ind AS
Cash from operating activities	47.79	(29.31)	77.10
Cash from investing activities	(16.90)	(0.25)	(16.65)
Cash from financing activities	(24.53)	29.56	(54.09)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes pursuant to Ind AS 101 on first-time adoption:

These financial statements for the period ended 31 March 2022 including financial statements for the periods upto and including the year ended 31 March 2021, have been prepared and presented in accordance with Ind-AS. For the purposes of transition to Ind-AS, the company has followed the guidance prescribed in Ind-AS 101 on First Time adoption of Indian Accounting Standard, with April 1, 2020 as the transition date and IGAAP as the previous GAAP. Accordingly, the company has prepared financial statements for the period ended 31 March 2022. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2020, being the date of transition to Ind-AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2020 and the financial statements as at and for the year ended 31 March 2021. These financial statements are prepared in accordance with accounting policies set out in Note 2.

(A) Exemptions applied:

Voluntary Exemptions:

1 Property, plant and equipment and intangible assets (Ind AS 16 & 38)

The management has opted to measure all of its property, plant and equipment and intangible assets at their book values as deemed cost under the previous GAAP as on the transition.

2 Investment in equity shares of subsidiaries:

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries under the previous GAAP, as deemed cost at the date of transition.

3 Share based payments (Ind AS 102)

The company has opted the exemption to apply Ind AS 102 prospectively from the transition date to the equity instruments/options that vested before the date of transition. Accordingly, the company has recognised the share based expenses for unvested options on the transition date.

Mandatory Exemptions:

4 Use of estimates

The entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required in Indian GAAP; (i) Impairment of Financial assets based on expected credit loss model, (ii) Investments in mutual funds and (iii) Effective interest rate used in calculation of security deposit.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(B) Other notes on First time adoption of Ind-AS

1 Other equity

Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for the items mentioned in note B(3) and B(4). In addition, as per Ind AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

2 Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI, net of taxes.

3 Lease liability & Right of use asset

The Company has applied Ind AS 116 using the modified retrospective approach as at the date of transition, with the cumulative effect of initial application of this Standard are recognised as an adjustment to the retained earnings. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease with corresponding debit to Right of use asset. The lease payments are discounted using incremental borrowing rate. Accordingly, the finance cost is charged to profit & loss statement. The interest-free refundable security deposit recorded at their transaction value as at the date of transition are now recognized at their fair value. Accordingly, the difference between the fair value and transaction value of the said security deposit has been recognized as Right to use asset (ROUA) and these ROUA are depreciated over the lease term, and the finance income on security deposit is recognised in the Profit & loss statement. Consequently, tax adjustments arising on account of above have been recognised in the financial statements.

4 Employee stock option plan (ESOP)

The Company has granted employee stock options to its employees. The Intrinsic value of the option were recognized and amortized on a straight line basis over the vesting period in the previous GAAP. As per Ind AS the share based payments are measured at fair value. For the year ended 31 March 2021, the fair value of the options both vested and unvested granted to the employees was charged to the employee benefit expense with a corresponding credit to Employee stock options outstanding account.

5 Others

- The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

NON-CURRENT ASSETS

3 Property, plant & equipment

Description	Property, plant & equipment						Total
	Leasehold improvements	Computers (Incl. Servers)	Testing equipments	Furniture & fixtures	Office equipments	Vehicle	
I. Gross carrying amount							
Deemed cost as of April 01, 2020	4.68	14.94	7.46	5.38	2.90	-	35.36
Additions during the year	-	5.08	6.37	0.71	-	0.66	12.82
Deletions during the year	-	-	-	-	-	-	-
Balance as of March 31, 2021	4.68	20.02	13.83	6.09	2.90	0.66	48.18
II. Accumulated depreciation							
Balance as at April 01, 2020	-	-	-	-	-	-	-
Depreciation during the year	1.34	8.07	3.51	0.67	0.87	0.01	14.47
Deletions during the year	-	-	-	-	-	-	-
Balance as at 31 March 2021	1.34	8.07	3.51	0.67	0.87	0.01	14.47
III. Net Carrying amount (I-II)	3.34	11.95	10.32	5.42	2.03	0.65	33.71
I. Gross carrying amount							
Balance as of April 01, 2021	4.68	20.02	13.83	6.09	2.90	0.66	48.18
Additions during the year	-	16.86	3.34	0.07	0.24	-	20.51
Deletions during the year	-	(0.59)	(1.44)	(0.03)	(0.06)	-	(2.12)
Deletions on sale of product business (Note b)	-	(1.56)	(0.38)	-	-	-	(1.94)
Balance as of March 31, 2022	4.68	34.73	15.35	6.13	3.08	0.66	64.63
II. Accumulated depreciation							
Balance as at April 01, 2021	1.34	8.07	3.51	0.67	0.87	0.01	14.47
Depreciation during the year	1.34	6.97	3.98	0.68	0.78	0.07	13.82
Deletions during the year	-	(0.31)	(0.90)	(0.01)	(0.04)	-	(1.26)
Deletions on sale of product business (Note b)	-	(0.89)	(0.22)	-	-	-	(1.11)
Balance as at March 31, 2022	2.68	13.84	6.37	1.34	1.61	0.08	25.92
III. Net Carrying amount (I-II)	2.00	20.89	8.98	4.79	1.47	0.58	38.71

- The assets reported above does not include assets received on loan basis (returnable) . The value of such property, plant & equipment as per the declaration made to the customs department amounted to ₹ 8.74 million (2021: ₹ 23.67 million & 2020: ₹ 15.28 million) as at the balance sheet date.
- During the year company has sold its product business on a slump sale basis. Also Refer Note 36.
- The Company has opted to use carrying amount as per the previous GAAP of an item of property, plant and equipment at the date of transition to Ind AS's as its deemed cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

3.1 Capital Work-in-progress:	31 March 2022	31 March 2021	1 April 2020
Capital goods in transit	-	-	2.38

Capital work-in-progress ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended					
As at 31 March 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2020					
Projects in progress	2.38	-	-	-	2.38
Projects temporarily suspended	-	-	-	-	-

Note: (a) As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

4 Right-of-use assets (ROUA)

Description	Building (Leasehold)
I. Gross carrying amount	
Balance as of April 01, 2020	78.77
Additions during the year	-
Balance as of March 31, 2021	78.77
II. Accumulated depreciation	
Balance as at April 01, 2020	-
Depreciation during the year	26.32
Balance as at 31 March 2021	26.32
III. Net Carrying amount (I-II)	52.45
I. Gross carrying amount	
Balance as of April 01, 2021	78.77
Additions during the year	-
Balance as of March 31, 2022	78.77
II. Accumulated depreciation	
Balance as at April 01, 2021	26.32
Depreciation during the year	26.33
Balance as of March 31, 2022	52.65
III. Net Carrying amount (I-II)	26.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

4.1 Lease transactions (Company as a lessee)

The Company had adopted Ind AS 116, effective annual reporting period beginning 1 April 2020 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised in the retained earnings as of 1 April 2020. This had resulted in recognising a right-of-use asset of ₹ 78.77 million (Including ROUA arising from fair valuation of refundable security deposit of ₹ 2.18 million) and a corresponding lease liability of ₹ 85.17 million by adjusting retained earnings to the extent of ₹ 8.58 million as well as tax impact thereof of ₹ 2.16 million as at 1 April 2020. The weighted average incremental borrowing rate of 7.00% was applied to lease liabilities recognised in the balance sheet at the date of initial application and yield rate of 5.4% has been considered to determine the fair value of security deposit.

4.2 Break up of current and non-current lease liabilities

Particulars	31 March 2022	31 March 2021	01 April 2020
Current lease liabilities	28.88	32.16	29.50
Non-current lease liabilities	3.22	28.74	55.67
Total	32.10	60.90	85.17

4.3 Reconciliation of lease liabilities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	60.90	85.17
Accretion of Interests	3.36	5.24
Payment of lease liabilities	32.16	29.50
Balance at the end of the year	32.10	60.90

4.4 Contractual maturities of lease liabilities on an undiscounted cash flows basis:

Particulars	31 March 2022	31 March 2021
Not later than one year	30.11	32.16
Later than one year and not later than five years	3.30	33.41
Later than five years	-	-
Total	33.41	65.57

4.5 Amounts Recognised in statement of Profit and loss is as under:

Particulars	31 March 2022	31 March 2021
Depreciation on Right of use assets	26.33	26.32
Interest accretion on lease liabilities	3.36	5.24
Total	29.69	31.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

5 Other intangible assets

Description	Patent	Computer software	Total
I. Gross carrying amount			
Deemed Cost as of April 01, 2020	-	3.18	3.18
Additions during the year	-	2.30	2.30
Balance as of March 31, 2021	-	5.48	5.48
II. Accumulated depreciation			
Balance as at April 01, 2020	-	-	-
Amortization during the year	-	1.78	1.78
Balance as at 31 March 2021	-	1.78	1.78
III. Net Carrying amount (I-II)	-	3.70	3.70
I. Gross carrying amount			
Balance as of April 01, 2021	-	5.48	5.48
Additions during the year	2.50	0.77	3.27
Deletions during the year	-	(0.14)	(0.14)
Deletions on sale of product business (Note 36)	-	(0.01)	(0.01)
Balance as of March 31, 2022	2.50	6.10	8.60
II. Accumulated depreciation			
Balance as at April 01, 2021	-	1.78	1.78
Amortization during the year	-	1.89	1.89
Deletions during the year	-	(0.14)	(0.14)
Deletions on sale of product business (Note 36)	-	(0.00)	(0.00)
Balance as of March 31, 2022	-	3.53	3.53
III. Net Carrying amount (I-II)	2.50	2.57	5.07

FINANCIAL ASSETS:

6 Investments (Unquoted) *

	31 March 2022	31 March 2021	01 April 2020
Investments in Equity Instruments of wholly owned subsidiaries measured at cost			
PathPartner Technology Inc, USA	2.88	2.88	2.88
[5,000,000 (previous year 2020 & 2021: 5,000,000) Equity shares of USD 0.01/- each]			
PathPartner Technology GmbH, Germany	2.12	2.12	2.12
[25,000 (2021: 25,000, 2020: 25,000) Equity shares of 1 Euro each]			
Less : Impairment in value of investments	(2.12)	-	-
Investments in Equity Instruments of subsidiaries measured at cost			
Zoapi Innovations Private Limited (Refer Note 6.2 below)	-	-	-
[Nil (2021: Nil, 2020: Nil) Equity shares of ₹ 10 each]			
Total of Investments (Unquoted)	2.88	5.00	5.00
Aggregate amount of unquoted investments in equity instruments	2.88	5.00	5.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

- 6.1** PathPartner Inc ,USA a wholly owned foreign subsidiary has networth in excess of its value of investment as at the balance sheet date and in the view of the management, considering the future business prospects there are no indications of diminution in the carrying value of the investment in the said subsidiary.
- 6.2** The Company had made an Investment during financial year 2020-21 of ₹ 0.7 million acquiring 70,000 equity shares of ₹ 10 each in Zoapi Innovations Private Limited, a subsidiary company. This investment was disposed subsequently during the same year at ₹ 10 per equity share.
- 6.3** The Company measures the equity investments in subsidiaries at cost in accordance with Ind AS 27, and the Company opted the carrying amount at the date of transition as per the previous GAAP as the deemed cost for this purpose. (Also, Note 2.23)

* In Note 6 above, Number of shares and value per share are disclosed in absolute numbers

7 Other financial assets - Non-Current

	31 March 2022	31 March 2021	01 April 2020
(Unsecured, considered good unless otherwise stated)			
Security deposits	6.47	11.25	14.97
Refundable deposit held with vendors	0.38	-	-
Other fixed deposits with banks	19.23	0.30	0.29
Total	26.08	11.55	15.26

8 Deferred tax assets (net)

	31 March 2022	31 March 2021	01 April 2020
8.1 Deferred tax asset			
Expenditure allowable for tax purposes only on payment basis	15.78	13.62	16.59
Depreciation on property, plant and equipments as per books and tax returns	1.98	1.08	-
Loss on MTM adjustments on forward contracts	-	-	3.26
Impairment Loss and other claims	22.92	0.15	1.86
Recognition of liabilities(net) on ROU Assets	1.98	2.53	2.20
Minimum alternate tax (MAT) credit entitlement	-	0.05	5.28
8.2 Deferred tax liability			
Depreciation on property, plant and equipments as per books and tax returns	-	-	(0.01)
Gain on MTM adjustments on forward contracts	0.26	(0.33)	-
Total of Deferred Tax Assets (net)	42.92	17.10	29.18

Note: The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

9 Income tax assets (net)

	31 March 2022	31 March 2021	01 April 2020
Advance income tax, net of provision for tax expense (Also Refer Note 45)	7.06	17.13	16.51
	7.06	17.13	16.51

10 Inventories

	31 March 2022	31 March 2021	01 April 2020
(valued at lower of cost or net realisable value)			
Stock-in-trade (Also refer Note 22.1)	-	1.72	0.66
	-	1.72	0.66

11 Current investments

	31 March 2022	31 March 2021	01 April 2020
Investments in mutual funds measured at fair value through profit or loss (quoted)			
HDFC Liquid fund - direct plan - dividend - daily reinvest (cash) 69,798.733 units (2021: 6,693.212 units , 2020: 6,207.106 units)	71.19	6.83	6.33
Total	71.19	6.83	6.33
Aggregate amount of quoted investments	71.19	6.83	6.33
Aggregate amount of market value of quoted investments [based on NAV]	71.19	6.83	6.33

Information about the Company's exposure to fair value measurement and market risk is included in note 37.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

12 Trade Receivables

	31 March 2022	31 March 2021	01 April 2020
(Unsecured)			
Trade receivables considered good	194.00	167.47	116.30
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	2.51	0.60	6.69
	196.51	168.07	122.99
Less: Allowance for bad and doubtful trade receivables	(2.51)	(0.60)	(6.69)
Total	194.00	167.47	116.30

12.1 The receivables are non-interest bearing and are generally due within 15-90 days of the date of Invoice. These book debts are pledged as security for various facilities availed from bank by the company. The company had made provision towards receivable identified as doubtful. There are no secured or credit impaired trade receivables as at the year end (Also refer Note No. 22.1)

12.2 Movement in the Allowance for bad and doubtful trade receivables

At the beginning of the year	0.60	6.69	5.27
Allowance for doubtful receivables	2.51	0.60	6.69
Bad debts written-off during the year	(0.60)	(6.69)	(5.27)
Balance at the end of the year	2.51	0.60	6.69

12.3 Trade receivables Includes due from related parties (Refer Note 40) as given below:

PathPartner Technology Inc, USA (a wholly owned subsidiary)	15.20	12.27	18.98
PathPartner Technology GmbH, Germany (a wholly owned subsidiary)	-	5.82	-

12.4 Trade receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2022							
Undisputed trade receivables - considered good	152.13	41.81	0.06	-	-	-	194.01
Undisputed trade receivables - credit impaired	-	-	2.47	0.00	0.00	0.04	2.51
As on 31 March 2021							
Undisputed trade receivables - considered good	139.43	24.07	3.87	0.06	0.04	-	167.47
Undisputed trade receivables - credit impaired	-	-	0.60	-	-	-	0.60
As on 1 April 2020							
Undisputed trade receivables - considered good	89.78	26.48	-	0.04	-	-	116.30
Undisputed trade receivables - credit impaired	-	-	0.21	6.48	-	-	6.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

12.5 Information about Company's exposure to credit risk is disclosed in Note 37.3

12.6 The Company has trade receivable balance amounting to INR 1.31 million which is outstanding as at 31 March 2022 beyond the permissible time lines stipulated under Foreign Exchange Management Act, 1999 (FEMA). The Company is in the process of obtaining the necessary approvals from the AD Bank for such delayed remittance/ collection/ non-settlement. Management believes that the impact of above if any, in terms of fees or penalties will not be material and hence has not been accounted in the books of accounts as at 31 March 2022.

13 Cash and Bank balances

	31 March 2022	31 March 2021	01 April 2020
Cash and cash equivalents			
Cash in hand	0.34	0.44	0.20
Balances held with banks:			
- In current accounts	13.79	9.90	22.35
- In EEFC accounts	20.07	44.61	26.36
	34.20	54.95	48.91
Other bank balances			
Unpaid dividend account (earmarked, Also Refer Note No. 25.2)	0.25	0.25	0.25
Earmarked balances with banks	-	28.47	27.39
In deposit account with remaining maturity of less than 12 months	46.48	-	-
	46.73	28.72	27.64
Total	80.93	83.67	76.55

14 Loans

	31 March 2022	31 March 2021	01 April 2020
Loans Receivable - considered good - Secured	-	-	-
Loans Receivable - considered good - Unsecured	-	4.36	-
Loans Receivable which have significant increase in credit risk	-	-	-
Loans Receivable - credit impaired	4.59	-	-
Less : Allowance for impairment loss	4.59	-	-
Total	-	4.36	-

14.1 Loan to related party - PathPartner Technology GmbH of EUR 50,000 at an interest of 7% p.a.

Particulars	Loan given	Balance at the beginning of the period/ year	Interest Accrued	Exchange gain/loss on reinstatement	Provision for impairment	Repayment	Balance at the end of the period/ year
As at 31 March 2022 (In Indian Rupees)	-	4.36	0.31	0.08	4.59	-	-
As at 31 March 2021 (In Indian Rupees)	4.30	-	0.06	-	-	-	4.36
As at 1 April 2020 (In Indian Rupees)	-	-	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

15 Other current financial assets

	31 March 2022	31 March 2021	01 April 2020
(Unsecured, considered good unless otherwise stated)			
Security Deposits	5.30	0.62	0.73
Interest accrued on fixed deposits	0.47	-	-
Refundable deposit held with vendors	-	0.38	0.44
Gain recognised towards mark-to-market adjustment on forward contracts	1.05	1.31	-
Insurance claim receivable	-	-	5.45
Other receivables	13.98	-	-
Receivables from related party (Refer Note No. 15.1)	3.59	3.42	2.95
Total	24.39	5.73	9.57

15.1 Represents recoverable from related parties as under:

PathPartner Technology Inc, USA	0.58	0.35	-
PathPartner Technology GmbH, Germany	3.01	3.07	2.95
	3.59	3.42	2.95

16 Income tax assets (net)

	31 March 2022	31 March 2021	01 April 2020
Income Tax Refund receivable	-	3.14	3.21
	-	3.14	3.21

17 Other current assets

	31 March 2022	31 March 2021	01 April 2020
(Unsecured, considered good unless otherwise stated)			
Advances to vendors	4.68	4.13	2.83
Advances to employees (Refer Note No.17.1)	1.41	2.76	2.53
Contract Assets (Refer Note No.17.2)	39.77	-	-
Prepaid expenses	22.80	16.58	15.71
Goods and services tax input credit (Refer Note No. 17.3)	11.87	8.12	24.33
Total	80.53	31.59	45.40

17.1 Includes advances to Directors as under:

Dipanjjan Ghosh, Wholetime Director	-	-	0.12
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

17.2 Movement in contract assets (Unbilled Revenue)

Particulars	31 March 2022	31 March 2021	01 April 2020
Balance at the beginning of the year	-	-	-
Revenue recognised during the year	39.77	-	-
Invoicing during the year	-	-	-
Reversals during the year	-	-	-
Balance at the end of the year	39.77	-	-

17.3 Goods and Service tax input credit carried in books include certain tax credits which will be claimed in the subsequent period when the company is eligible to claim such tax paid as credit in pursuance to the applicable GST laws. The Management of the company expects to realise/ utilise these input credits in full without any material adjustments.

18 SHARE CAPITAL

	31 March 2022	31 March 2021	1 April 2020
18.1 Equity share capital			
Authorised share capital :			
1,500,000 (2021: 1,500,000/2020: 1,500,000) Equity Shares of ₹ 10 each	15.00	15.00	15.00
Issued, subscribed and fully paid up share capital:-			
1,079,298 (2021: 1,056,345/ 2020: 1,056,345) Equity Shares of ₹ 10 each	10.79	10.56	10.56

18.2 There are no shares that have been issued, subscribed and not fully paid up and there are no unpaid calls, forfeited shares. The shares related details disclosed above are in absolute numbers.

18.3 The reconciliation of the number of equity shares outstanding as at the balance sheet date:

Equity shares of ₹ 10 each	As at 31 March 2022	As at 31 March 2021	As at 01 April 2020
As at the beginning of the year	1,056,345	1,056,345	1,056,345
Changes during the year - stock options exercised during the period	22,953	-	-
As at the end of the Year	1,079,298	1,056,345	1,056,345

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

18.4 Details of shareholders having holding more than five percent shares in the company:

Name of Shareholders	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Share holding (No's)	Share holding (%)	Share holding (No's)	Share holding (%)	Share holding (No's)	Share holding (%)
KPIT Technologies Limited	672,100	62.27%	NA	NA	NA	NA
KPP Kalyan Chakravarthy	-	0.00%	151,200	14.31%	151,200	14.31%
Tushar Kanti Adhikary	75,360	6.98%	129,366	12.25%	129,366	12.25%
Korada Ramkishor	75,360	6.98%	129,366	12.25%	129,366	12.25%
Dipanjan Ghosh	75,360	6.98%	129,366	12.25%	129,366	12.25%
Girish Chandra Sabat	68,580	6.35%	117,726	11.14%	117,726	11.14%
Bhupendra Shah	-	-	105,522	9.99%	105,522	9.99%
Vinay Krishnamurthy	-	-	70,722	6.69%	70,722	6.69%
Prasad RSV	-	-	58,850	5.57%	58,850	5.57%
Total	966,760	89.57%	892,118	84.45%	892,118	84.45%

Note: The above disclosures are as per the records of the company including registers of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above holding represents both legal and beneficial ownership of shares.

18.5 Details of shares held by the Promoters are as under;

Name of Shareholders	As at 31 March 2022			As at 31 March 2021			% change in share holding during the year - Increase/ (Decrease)
	Number of shares	% of total shares of the company	% of shares pledged encumbered to total shares	Number of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
Tushar Kanti Adhikary	75,360	6.98%	Nil	129,366	12.25%	Nil	(5.26%)
Ramkishor Korada	75,360	6.98%	Nil	129,366	12.25%	Nil	(5.26%)
Dipanjan Ghosh	75,360	6.98%	Nil	129,366	12.25%	Nil	(5.26%)
Girish Chandra Sabat	68,580	6.35%	Nil	117,726	11.14%	Nil	(4.79%)
Vinay Krishnamurthy	41,198	3.82%	Nil	70,722	6.69%	Nil	(2.88%)
Prasad RSV	34,282	3.18%	Nil	58,850	5.57%	Nil	(2.39%)
KPP Kalyan Chakravarthy	-	-	Nil	151,200	14.31%	Nil	(14.31%)
Keshav Karunakar	17,540	1.63%	Nil	32,116	3.04%	Nil	(1.42%)
Total	387,680	35.92%	-	818,712	77.50%	-	(41.57%)

18.6 In the meeting of Board of Directors dated 21 June 2021 it was unanimously agreed to accept the share purchase offer by KPIT Technologies Limited. Pursuant to which the Board of Directors had approved the transfer of shares in accordance with share purchase agreement entered in between KPIT Technologies Limited, PathPartner Technology Private Limited and Promoters of PathPartner Technology Private Limited dated 25 September 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18.7 Other notes on share capital:

a. Rights, preference and restrictions attached with the shares:

The Company has only one class of share referred to as equity share. Each holder of equity shares is entitled to one vote per share and there are no additional preferences or restrictions attached to the shares mentioned above. In the event of liquidation of the Company, the members will be entitled to receive the whole or any part of the assets of the Company after payment of all external liabilities. The distribution of such assets will be in proportion to the number of equity shares held by the shareholders.

b. During any of the preceding five years ending as at the balance sheet date:

No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.

No shares were allotted as fully paid up by way of bonus shares and were bought back.

No shares were forfeited.

c. The Company declares and pay dividends in Indian Rupees. The Company has not declared and paid dividends during the year and immediately preceding financial year.

d. The Company has not issued any securities convertible into equity / preference shares as on 31 March 2022.

e. For details of shares reserved for issue under options, Refer Note 39

f. Capital Management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain investor, creditor and market confidence and to maximize shareholder value. In order to fulfil its objective, the management of the Company monitors the return on capital as well as the level of dividends to ordinary shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

19 OTHER EQUITY

	31 March 2022	31 March 2021	01 April 2020
19.1 Securities premium account			
As at the beginning and end of the year	9.00	9.00	9.00
Share issued under options at premium during the year	0.29	-	-
Closing balance at the end of the year	9.29	9.00	9.00
19.2 Share based payment reserve (Refer Note 39)			
As at the beginning of the year	2.98	2.08	1.35
Transferred to general reserve on stock options lapsed during the year	(0.33)	(0.08)	(0.08)
Transferred to general reserve on stock options Exercised during the year	(1.94)	-	-
Accrued during the year	23.12	0.98	0.81
Closing balance at the end of the year	23.83	2.98	2.08
19.3 General Reserve			
As at the beginning of the year	6.89	6.81	6.73
Transferred from share option outstanding	2.27	0.08	0.08
Closing balance at the end of the year	9.16	6.89	6.81
19.4 Retained earnings			
As at the beginning of the year	266.38	222.44	210.18
Profit for the year as per the Profit and Loss Statement	18.96	43.94	12.26
Closing balance at the end of the year	285.34	266.38	222.44
19.5 Other comprehensive Income			
As at the beginning of the year	(3.09)	-	-
Other comprehensive loss (net of tax) as per the Profit and Loss Statement	5.46	(3.09)	-
Closing balance at the end of the year	2.37	(3.09)	-
Total	329.99	282.16	240.33

20 Lease liability - Non current

	31 March 2022	31 March 2021	01 April 2020
Lease Liability - Non current (Refer Note No. 4)	3.22	28.74	55.67
Total	3.22	28.74	55.67

21 Provisions - Non Current

	31 March 2022	31 March 2021	01 April 2020
Provision for employee benefits			
Gratuity (Refer Note No.38)	34.31	35.48	29.39
Compensated Absences (Refer Note No.38)	17.51	11.78	8.13
Total	51.82	47.26	37.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

22 Borrowings - Current

	31 March 2022	31 March 2021	01 April 2020
(Secured loan from bank)			
Loans repayable on demand			
Cash Credit Facility (Refer Note No.22.1)	-	-	24.40
Total	-	-	24.40

22.1 Note on 'current borrowings'

Credit facilities (Foreign currency loan (PCFC/FCNR)) including non-fund based facilities for ₹ 30 million (Previous year : ₹ 30 million) from the bank for financing its working capital requirements are fully secured by way of exclusive charge over present and future stock of inventory and book debts of the Company. Further, these facilities are secured by lien on fixed deposits held with that bank. In addition, these facilities are personally guaranteed by seven of its Directors / Shareholders. There are other conditions and financial covenants attached to this facility obtained from bank. The fair value of interest bearing working capital approximates to their carrying amounts.

23 Lease liability - Current

	31 March 2022	31 March 2021	01 April 2020
Lease Liability - Current (Refer Note No. 4)	28.88	32.16	29.50
Total	28.88	32.16	29.50

24 Trade Payables

	31 March 2022	31 March 2021	01 April 2020
Total outstanding dues of micro and small enterprises (Refer Note No. 24.1)	1.32	0.29	1.18
Total outstanding dues of creditors other than micro and small enterprises;			
- Trade payables to related parties (Refer Note No. 24.2)	10.01	16.88	6.20
- Trade payables to others	10.51	21.82	8.00
Total	21.84	38.99	15.38

24.1 Details of dues to micro and small enterprises, based on the declarations made by such suppliers/vendors, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") based on the information available with the Company are as under:

	31 March 2022	31 March 2021	01 April 2020
Principal amount due to suppliers/ vendors under MSMED Act	1.32	0.29	1.18
Interest accrued and due to suppliers	-	-	-
Payment made to suppliers beyond appointed day during the year	-	-	-
Interest paid to suppliers during the year	-	-	-
Interest due and payable to suppliers towards payment made during the year	-	-	-

24.2 Dues to related parties represents payables to;

	31 March 2022	31 March 2021	01 April 2020
PathPartner Technology Inc, USA , a wholly owned subsidiary	4.52	11.58	5.36
PathPartner Technology GmbH, Germany, a wholly owned subsidiary	2.79	5.30	0.84
PathPartner Interior Sensing Private Limited, India , entity under common control	2.70	-	-
Total	10.01	16.88	6.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

24.3 Trade payables ageing schedule

Particulars	Unbilled/ Not due	Outstanding for following periods from the transaction date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2022						
Disputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Undisputed dues						
(i) MSME	-	1.32	-	-	-	1.32
(ii) Others	6.16	14.36	-	-	-	20.52
As on 31 March 2021						
Disputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Undisputed dues						
(i) MSME	-	0.29	-	-	-	0.29
(ii) Others	8.17	30.53	-	-	-	38.70
As on 1 April 2020						
Disputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Undisputed dues						
(i) MSME	-	1.18	-	-	-	1.18
(ii) Others	2.70	11.50	-	-	-	14.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

25 Other current financial liabilities

	31 March 2022	31 March 2021	01 April 2020
Payable towards capital goods	3.06	0.44	0.17
Advance from customers	-	-	-
Employee dues	24.77	16.58	15.87
Dues to directors (Refer Note No. 25.1)	3.00	1.82	6.42
Unpaid dividend (Refer Note No. 25.2)	0.25	0.25	0.25
Others (Refer Note No. 25.3)	0.07	0.07	0.10
Loss recognised on mark-to-market adjustments for forward contracts	-	-	11.71
Total	31.15	19.16	34.52

25.1 Includes due to Directors as under:

Tushar Kanti Adhikary	1.00	0.60	2.14
Dipanjan Ghosh	1.00	0.62	2.14
Girish Chandra Sabat	1.00	0.60	2.14
	3.00	1.82	6.42

25.2 Represents dividend declared in an earlier year and remaining unpaid as at the balance sheet date in respect of one of the shareholder. The Company has filed an application before the Regional Director compounding the offence under section 124(1) and 124 (5) of the Companies Act, 2013 read with Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 for this unpaid dividend, which is pending for disposal. (Also Refer Note 13)

25.3 Represents excess application money received towards share allotment on exercise of employee share options and due for refund pending necessary approval from Reserve Bank of India.

26 Other current liabilities

	31 March 2022	31 March 2021	01 April 2020
Statutory dues	14.17	11.19	9.73
Unearned Revenue (Refer Note No. 26.1)	26.63	-	-
Total	40.80	11.19	9.73

26.1 Movement in contract liabilities (Unearned Revenue)

	31 March 2022	31 March 2021	01 April 2020
Balance at the beginning of the year	-	-	-
Invoiced during the period but not recognised as revenue	26.63	-	-
Revenue recognised during the year	-	-	-
Balance at the end of the year	26.63	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

27 Provisions - Current

	31 March 2022	31 March 2021	01 April 2020
Provision for employee benefits;			
Gratuity (Refer Note No.38)	8.27	6.90	6.35
Compensated Absences (Refer Note No.38)	2.01	1.47	0.94
Provision for customer claims (Refer Note No. 27.1 Below)	75.20	-	-
Provision for claims - Others	9.37	-	-
Total	94.85	8.37	7.30

27.1 The company is party to claims and litigations arising from a customer in ordinary course of business operations. Due to the inherent limitations/uncertainties of limitation it is not possible to predict the final outcome of the ongoing claim. However, on a prudent as a matter of abundant caution the company in consultation with its solicitor has estimated and provided for the potential claim on the basis of facts in hands, which is considered appropriate by the management. The said amount has been reinstated as at 31 March 2022.

28 Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services		
Software development services - Export	796.77	585.69
Software development services - Domestic	171.83	137.10
	968.60	722.79
Sale of Goods		
Hardware components - Exports	6.76	0.29
Hardware components - Domestic	1.53	1.00
	8.29	1.29
Total	976.89	724.08

29 Other Income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on term deposits	1.03	1.15
Dividend on mutual fund investments	1.26	0.64
Interest on Income tax refund	0.66	0.40
Interest on loan to subsidiary	0.31	0.05
Gain on sale of business (Refer Note 36)	6.62	-
Foreign exchange gain on exchange fluctuations (net of realised MTM loss)	12.58	4.90
Marked-to-market gain on foreign exchange contracts	-	1.31
Other income	0.05	0.09
Interest income on financial assets at amortised cost	0.61	0.63
	23.12	9.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

30 Purchases of Stock-in-Trade

	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of stock in trade	-	3.48
	-	3.48

31 Changes in inventories of Stock-in-Trade

	For the year ended 31 March 2022	For the year ended 31 March 2021
Stock in trade (components)		
Opening stock	-	0.66
Closing stock	-	0.97
	-	(0.31)

32 Employee benefit expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, bonus and allowances	567.06	392.86
Contribution to provident fund	22.77	13.99
Staff welfare expenses	5.70	2.06
Share based compensation to employees (Refer Note 39)	23.09	0.88
	618.62	409.79

33 Finance Costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on working capital facility from banks	-	0.14
Interest on delayed payment of other taxes	0.20	0.30
Finance cost on lease liabilities	3.35	5.18
Total	3.55	5.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

34 Other Expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	4.34	4.06
Consumables and accessories (net)	22.53	8.55
Repairs & maintenance;		
- Buildings	3.81	2.90
- Others	3.05	1.61
Software expenses	1.54	6.00
Insurance	19.79	12.72
Consultancy charges	76.00	63.11
Legal and professional charges (net) (Refer Note 34.1)	26.16	27.16
Recruitment & training expenses	4.47	3.25
Travel & conveyance (net)	1.29	3.16
Membership & subscriptions and Business Promotion expenses	8.45	5.52
Communication expenses	6.78	4.51
Office expenses	1.04	0.65
House keeping and security	5.03	4.27
Bank charges	1.00	0.90
Rates & taxes	7.41	5.17
Bad debts written-off	0.60	6.69
Less: Provisions for bad debts reversed during the year	(0.60)	(6.69)
Provision for bad and doubtful debts	2.51	0.60
Web hosting charges	0.30	0.40
Expenditure towards corporate social responsibility (Refer Note 34.2)	1.09	0.56
Miscellaneous expenses	15.49	0.02
	212.06	155.13

Note

(i) Certain expenses are net of recoveries/reimbursements from customers.

34.1 Auditors' Remuneration (excluding taxes)

as auditor	1.50	0.51
for tax audit	-	0.13
for other taxation matters and certification	0.07	0.18
Out of pocket expenses reimbursed	0.10	-
	1.67	0.81

34.2 The Company, as per section 135 of the Companies Act 2013, was required to spend ₹ 1.02 million (Previous year ₹ 0.56 million) towards CSR. During the year, the Company has spent and paid ₹ 1.09 million (Previous year ₹ 0.56 million) towards CSR, in various activities as specified in Schedule VII of the Companies Act 2013, read with the Rules thereunder, as direct spend for purposes other than construction/acquisition of any asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

35 Income tax expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	30.81	8.65
Deferred tax	(25.82)	12.09
	4.99	20.74

35.1 The reconciliation of income tax expense at statutory income tax rate to income tax charged to statement of profit and loss is as follows:

Particulars	31 March 2022	31 March 2021
Profit before tax (net of discontinued operations)	22.78	65.73
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expense	5.73	16.54
Prior year tax adjustment	(2.71)	0.25
Effect of permanent adjustments	0.25	(0.22)
Utilisation of MAT credit	-	5.23
Other adjustments net	1.72	(1.06)
Total Tax expense for the year	4.99	20.74

36 Discontinued Operations Disclosures

As a part of the overall business reorganization and with the intent to ensure greater operational synergies, Management of the Company had transferred as a going concern and by way of a slump sale, the Company's Product Business Operations ("Product Business"), together with the use of all the licenses, permits, consents and approvals whatsoever, intellectual property rights, patents and all related assets and liabilities together with its employees, to PathPartner Interior Sensing Private Limited ("the Purchaser"), for a lump sum consideration of ₹ 6 million, as agreed between the Company and the Purchaser, with effect from 30 September 2021. The transfer of product line of business predominantly comprising of research and development activity carried out by the company which also includes development of hardware and software modules has been approved by the Board of Directors at their meeting held on 28th September 2021. The Board of Directors of the Purchaser company has also approved to the proposed transaction and the Business Transfer Agreement was signed on 30 September 2021. Transactions for the year ended March 31, 2021 have also been shown as discontinued operations for comparative purposes. However considering that the below details for the current period is for six month period the same is not comparable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

36.1 Carrying amounts of the total assets and total liabilities transferred as part of slump sale referred above

Particulars	30 September 2021	31 March 2021
ASSETS		
Property, plant and equipment	0.84	1.12
Inventories	0.68	0.75
Trade receivables	-	1.92
Other Current assets	0.28	3.34
Total assets (A)	1.80	7.13
LIABILITIES		
Provisions for employee benefits - Non Current	2.18	1.99
Trade Payable	-	0.46
Other current liabilities	-	0.78
Provisions for employee benefits - Current	0.24	0.33
Total liabilities (B)	2.42	3.56
Net Assets (A-B)	(0.62)	3.57

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

36.2 Profit and loss from Discontinued operations

Particulars	Period ended 30 September 2021	Year ended 31 March 2021
Discontinued operations		
Revenue from Discontinued operations:		
Software development services - Export	1.37	4.81
Hardware components - Exports	1.55	1.48
Hardware components - Domestic	0.37	1.27
Other income		
Foreign exchange gain on exchange fluctuations (net of realised MTM loss)	-	0.05
Interest income on financial assets at amortised cost	0.01	0.09
Total Income	3.30	7.70
Expenses:		
Purchase of Stock in Trade	0.00	0.93
Changes in inventories of Stock-in-Trade		
Opening stock	0.75	-
Closing stock	(0.68)	(0.75)
Employee benefit expenses		
Salaries, wages, bonus and allowances	18.36	43.75
Contribution to provident fund	0.72	3.28
Staff welfare expenses	0.12	0.04
Share based compensation to employees	0.03	0.10
Depreciation on tangible assets	0.82	3.79
Amortisation on intangible assets	0.03	0.03
Finance cost on lease liabilities	0.01	0.05
Other expenses		
Power and fuel	0.02	0.49
Consumables and accessories	4.85	3.41
Repairs & maintenance - Buildings	0.01	0.37
Repairs & maintenance - Others	0.04	0.18
Software expenses	0.00	0.06
Insurance	0.30	1.48
Consultancy charges	3.27	1.98
Legal and professional charges	3.31	0.28
Recruitment & training expenses	0.19	0.78
Travel & conveyance	0.01	0.32
Membership & subscriptions and Business Promotion expenses	0.09	1.08
Communication expenses	0.08	0.42
Office expenses	0.02	0.08
House keeping and security	0.02	0.54
Bank Charges	0.00	0.01
Rates & taxes	0.01	0.05
Web hosting charges	0.00	0.00
Expenditure towards corporate social responsibility	-	0.01
Miscellaneous expenses	0.00	0.00
Total expenses	32.37	62.76
Loss before tax for the period/ year from discontinued operations	(29.07)	(55.06)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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- 36.3** The above amounts have been derived on the basis of following allocation process determined by the management of the company :
- Income and expenses - directly attributable to product business have been considered on actual basis ;
 - Income and expenses - directly attributable to service business have been excluded ;
 - Income and expenses - common for product and service business lines have been apportioned based on either of the three parameter (i.e. headcount of employee, employee cost and revenue) as appropriate for particular head of income and expenses ;
 - Assets and Liabilities - directly attributable to product business have been considered on actual basis.
- 36.4** The company maintains common bank account and cash book accordingly cash flows from product business have not been separately reported.

37 Financial Instruments

	31 March 2022	31 March 2021	01 April 2020
37.1 Financial Instruments by category			
Financial assets			
Carried at Cost/ Amortised cost			
Trade receivables	207.46	200.91	137.55
Other financial assets	49.41	17.29	24.83
Loans	-	4.36	-
Cash and cash equivalents	34.20	54.95	48.91
Other balances with banks	46.73	28.72	27.64
Carried at fair value through profit or loss			
Investments in quoted mutual funds	71.19	6.83	6.33
Carried at fair value through Other comprehensive income			
Other financial assets - Gain on forward contract	1.05	-	-
Total financial assets	410.04	313.06	245.26
Financial liabilities			
Carried at Cost/ Amortised cost			
Lease liabilities	32.10	60.91	85.17
Borrowings	-	-	24.40
Trade payables	21.84	38.99	15.38
Other financial liabilities - Others	31.15	19.16	22.81
Carried at fair value through profit or loss			
Other financial liabilities - Loss on forward contract	-	-	11.71
Total financial liabilities	85.09	119.06	159.47

The carrying amounts of Trade Receivables, Trade Payables and cash and Cash Equivalents are considered to be the same as their fair values, due to their short-term nature.

The loans are carried at their carrying value which represents its fair value and security deposits were calculated based on the cash flows discounted using current lending rates. They are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

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37.2 Fair value hierarchy

Financial assets and liabilities include investments, cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities, whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities. Fair value of lease liabilities approximate its carrying amount, as lease liabilities are valued using discounted cash flow method. Except for the quoted investment, which is Level 1, rest of the financial assets and financial liabilities are classified as Level 2 or Level 3.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2022:

Particulars	As at 31 March 2022	Fair value measurement		
		Level 1	Level 2	Level 3
Financial assets				
Forward contracts designated as cash flow hedge	1.05	-	1.05	-
Investments in mutual funds	71.19	71.19	-	-

The following table presents fair value hierarchy of financial assets and liabilities as on 31 March 2021:

Particulars	As at 31 March 2021	Fair value measurement		
		Level 1	Level 2	Level 3
Financial assets				
Investments in mutual funds	6.83	6.83	-	-

The following table presents fair value hierarchy of financial assets and liabilities as on 1 April 2020:

Particulars	As at 1 April 2020	Fair value measurement		
		Level 1	Level 2	Level 3
Financial assets				
Investments in mutual funds	6.33	6.33	-	-
Financial liabilities				
Forward contracts designated as cash flow hedge	11.71	-	11.71	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

37.3 Financial risk management

The Company's activities expose it to variety of financial risks: market risk, credit risk, interest rate risk and liquidity risk, Within the boundaries of approved Risk Management Policy framework. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks arising from financial instruments:

a. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from company's activities in investments and receivables from customers. The Company ensure that sales are made to customers with appropriate creditworthiness. Investment are managed against counterparty exposure limits. To manage this, the Company periodically assesses the key accounts receivable balances. The Company restricts its fixed income investments to liquid securities carrying high credit rating. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. (Refer Note No.12.2 for movement in the allowance for impairment in respect of trade receivables.)

i) Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Refer Note 12.4 for ageing of trade receivables.

Refer Note 12.2 for movement in the allowance for impairment in respect of trade receivables.

ii) Cash and bank balances

The Company held cash and bank balances of ₹ 80.93 million, ₹ 83.67 million and ₹ 76.55 million as on 31 March 2022 , 31 March 2021 and 1st April 2020 respectively. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies.

iii) Other current financial assets

The Company is exposed to credit risk on receivable from related and other than related parties. The receivables are on account of normal course of business and thus there is no risk.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains liquidity and takes minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

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The liquidity position at each reporting date is given below:

Particulars	31 March 2022	31 March 2021	01 April 2020
Cash and cash equivalents	34.20	54.95	48.91
Other balances with banks	46.73	28.72	27.64
Investments in Liquid mutual funds	71.19	6.83	6.33
Total	152.12	90.50	82.88

The following are the remaining contractual maturities of financial liabilities:

Particulars	31 March 2022	31 March 2021	01 April 2020
Borrowings	-	-	24.40
Trade payables	21.84	38.99	15.38
Other financial liabilities	31.15	19.16	34.52
Total	52.99	58.14	74.30

c. 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee. Significant portion of the Company's revenues are in foreign currencies, while a significant portion of the costs are in Indian rupee i.e. functional currency of the Company. The foreign currencies to which the Company is majorly exposed to are US Dollars and Euros. The company has entered into forward contracts with banks to mitigate the exchange fluctuation risk.

The following table shows foreign currency exposures in US Dollar, Euro, Australian Dollar, Pound sterling and Japanese Yen on financial instruments at the end of the reporting period.

Exposure to Currency Risk (The following amounts represents INR equivalent of foreign currency)

The following is the Company's exposure to currency risk from financial instruments as at 31 March 2022

(INR in million)

Particulars	US Dollars	Euros	Japanese Yen	Total
Trade receivables*	127.13	16.56	-	143.69
Other receivables	0.93	3.01	0.93	4.87
Loan receivable	-	4.59	-	4.59
Balance held with Banks	10.77	9.30	-	20.07
Total (A)	138.83	33.46	0.93	173.22
Trade payables	6.83	2.79	-	9.62
Total (B)	6.83	2.79	-	9.62
Net Assets / Liabilities (A-B)	132.00	30.67	0.93	163.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2021

(INR in million)

Particulars	US Dollars	Euros	Australian Dollar	Pound sterling	Japanese Yen	Total
Trade receivables*	109.34	56.10	0.01	-	-	165.45
Other receivables	0.35	3.07	-	-	-	3.42
Loan receivable	-	4.30	-	-	-	4.30
Balance EEFC	43.09	1.53	-	-	-	44.62
Total (A)	152.78	65.00	0.01	-	-	217.79
Trade payables	16.07	4.42	-	0.70	1.32	22.51
Total (B)	16.07	4.42	-	0.70	1.32	22.51
Net Assets / Liabilities (A-B)	136.71	60.58	0.01	(0.70)	(1.32)	195.28

The following is the Company's exposure to currency risk from financial instruments as at 01 April 2020

(INR in million)

Particulars	US Dollars	Euros	Japanese Yen	Total
Trade receivables*	91.23	16.33	-	107.56
Other receivables	5.45	2.96	-	8.41
Balance EEFC	25.36	1.00	-	26.36
Total (A)	122.04	20.29	-	142.33
Trade payables	5.59	0.84	0.56	6.99
Working capital loan	24.35	-	-	24.35
Total (B)	29.94	0.84	0.56	31.34
Net Assets / Liabilities (A-B)	92.10	19.45	(0.56)	110.99

*Including unbilled revenue

Impact of increase / decrease on Profit or loss	31 March 2022	31 March 2021	01 April 2020
INR/ FC increased by 1%	1.64	1.95	1.11
INR/ FC decreased by 1%	(1.64)	(1.95)	(1.11)

(ii) Derivative assets and liabilities designated as cash flow hedges

In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than in Indian rupees. The counter party to the Company's foreign currency contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments (sales orders) and highly probable forecast transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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Derivatives (forward contracts) outstanding as at the reporting date:

Particulars	Currency	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
		Foreign currency	Contracted amount (₹)	Foreign currency	Contracted amount (₹)	Foreign currency	Contracted amount (₹)
Foreign exchange forward contracts	USD	3.99	307.82	3.10	233.59	2.80	203.59

(iii) 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 investments and borrowings as on the reporting date are fixed interest rate bearing instruments. Therefore, the Company is not exposed to interest rate risk.

38 Employee Benefits

The Company has determined the liability towards employee benefits as at 31 March 2022 in accordance with the Ind-AS 19 on 'Employee benefits'. In respect of defined benefit plan the liability has been determined on the basis of actuarial valuation. The details of the employee benefits are given below

38.1 Defined Contribution Plan

The Company makes the provident fund contributions for employees at the rate of 12% of basic salary as per regulations. The contributions are made to provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further obligations. The amount of contribution during the period ended 31 March 2022 ₹ 22.09 million (2020-21: ₹ 17.27 million)

38.2 Defined Benefit Plan- Gratuity

The Gratuity scheme is a salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules which are governed by the Payment of Gratuity Act, 1971, the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years. The Company funds its obligation toward the gratuity to an approved gratuity trust managed by the Life Insurance Corporation of India. The defined benefit obligation calculated uses a discount rate based on Government Bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Actuarial gains and losses in respect of the defined benefit plans are recognized in the Other Comprehensive Income (OCI). Return on plan assets, excluding interest income are recognized in the Other Comprehensive Income (OCI). These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

Changes in the present value of the defined benefit obligation representing reconciliation of balances thereof are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Present value of defined benefit obligation at the beginning of the year	45.38	37.13	29.52
Interest expense	3.04	2.46	1.96
Current service cost	7.37	6.31	5.95
Benefits Pay-outs from plan	(1.12)	(2.47)	(2.11)
Benefit payments from employer	(3.56)	(2.01)	-
Actuarial (gain) / losses	(5.78)	3.96	1.81
Net Benefit obligation at the end	45.33	45.38	37.13

Changes in the fair value of the plan assets representing reconciliation of opening and closing balances thereof are as follows :

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Fair value of plan assets at the beginning of the year	3.00	1.39	3.26
Interest income	0.20	0.16	0.16
Contributions by the Company	0.86	4.09	0.11
Benefits Pay-outs from plan	(1.12)	(2.47)	(2.11)
Actuarial Gain/(Loss)	(0.19)	(0.16)	(0.03)
Fair value of plan assets at the end of the year	2.75	3.00	1.39

Amount recognised in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Present value of obligation as at the end of the year	45.33	45.38	37.13
Fair value of plan assets at the end of the year	2.75	3.00	1.38
Funded status ((surplus)/deficit)	(42.58)	(42.38)	(35.74)
Net defined benefit obligation	(42.58)	(42.38)	(35.74)
Bifurcation of Current & Non current			
Current	8.27	6.90	6.35
Non-Current	34.31	35.48	29.39

Expenses recognized in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 1 April 2020
Current service cost	7.37	6.31	5.95
Interest cost net of interest income on plan assets	2.84	2.31	1.80
Expenses recognized in the Statement of Profit and Loss	10.21	8.62	7.75

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Expenses recognized in the Other Comprehensive Income (OCI)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 1 April 2020
Actuarial loss / (gain)	(5.78)	3.96	1.81
Return on plan assets, excluding interest income	0.19	0.16	0.03
Net (income)/expense recognized in the OCI	(5.59)	4.13	1.84

Note: Above disclosure excludes details relating to discontinued operation that was transferred during the period. Refer Note 36

Category of assets	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 1 April 2020
Insurance fund	2.75	3.00	1.39

Actuarial assumptions and other details in respect of Gratuity and compensated absences are given below:

Particulars	31 March 2022	31 March 2021	1 April 2020
Discount rate (per annum)	7.51%	7.06%	6.87%
Salary escalation rate	12.00%	12.00%	12.33% F5Y & 7.00% TA
Expected return on assets	7.06%	6.87%	7.52%
Retirement age	58 Years	58 Years	58 Years
Attrition rate (Graded)	Up to 15%	Up to 15%	Up to 10%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

According to the actuary, the assumption of future salary increase takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market and the discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated period of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Projected benefit obligation on current assumptions	31 March 2022		31 March 2021		1 April 2020	
	Defined benefit obligation		Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.44)	5.24	(4.53)	5.36	(4.04)	4.81
Future salary growth (1% movement)	2.12	(2.23)	2.34	(2.46)	3.20	(3.11)
Attrition rate (1% movement)	(0.72)	0.80	(0.92)	1.04	(0.18)	0.19

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

Maturity profile of defined benefit plan:

Projected benefits payable in future years from the date of reporting

Particulars	31 March 2022		31 March 2021		1 April 2020	
	Discounted values / Present value	undiscounted values / Actual value	Discounted values / Present value	undiscounted values / Actual value	Discounted values / Present value	undiscounted values / Actual value
Within 1 year	2.69	2.84	2.86	3.01	1.82	1.92
1-2 year	2.27	2.58	2.38	2.69	1.70	1.91
2-3 year	1.96	2.40	2.03	2.45	1.51	1.81
3-4 year	1.71	2.24	1.75	2.26	1.33	1.70
4-5 year	1.46	2.06	1.53	2.11	1.21	1.66
5-10 years	8.22	14.84	6.45	11.18	4.12	6.79
Thereafter	26.56	90.90	28.36	93.29	25.44	84.02

Weighted average assumptions used to determine net periodic benefit cost

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 1 April 2020
Total Number of Employees	493	372	360
Per month salary cost on which Gratuity is payable for all active members (₹ million)	17.64	13.53	12.64
Average Monthly Salary (₹ million)	0.04	0.04	0.04
Average past service (years)	2.57	3.37	3.29
Average Age (years)	29.51	30.16	30.03
Average expected future service (years)	28.49	27.87	27.97
Term of Liability (years)	15.41	14.20	15.69
Vested Discontinuance Gratuity (₹ million)	34.26	34.18	30.41
Discontinuance Gratuity (₹ million)	43.89	41.75	37.27

38.3 Leave Encashment : Reconciliation of opening and closing balances there of are as follows:

Particulars	31 March 2022	31 March 2021	1 April 2020
Net Balance sheet Asset/(Liability) Recognised at beginning	13.24	9.07	8.10
Net Periodic Benefit (Cost)/Income for the period	6.27	4.39	1.71
Benefit payments from employer	-	(0.22)	(0.74)
Net Balance Sheet Asset/(Liability) Recognised at the end of the period	19.51	13.24	9.07
Bifurcation of Current & Non current			
Current	2.01	1.47	0.94
Non-Current	17.51	11.77	8.13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

39 Share Based Payments

The Company has share option scheme for employees of the Company under two active schemes being ESOP 2008 and ESOP 2015. Vide Board resolution dated 14 July 2021, There will not be any further allotment under ESOP 2008 and ESOP 2015.

Employee Stock Option Plan - 2008 ('ESOP-2008')

The Board of Directors of the Company has adopted Employee Stock Option Plan 2008 ("ESOP 2008") in accordance with the approval of members of the Company at the Annual General Meeting . Under the Scheme, the Company is authorised to issue up to 107,000 equity settled options of ₹ 10 each to the employees. The scheme is administered by the ESOP committee constituted by the Board of Directors of the Company. The Options issued under this scheme shall vest over a period of four (4) years. The vesting shall be in such a manner that 25% of the options will vest after the first year from the Grant Date; and thereafter, 1/12th of the remaining will vest every quarter for the next three (3) years. Upon vesting as per the Plan, they would be exercisable by the Option Grantee at any time within a period of ten (10) years from the grant date.

In the event of the termination of an employee from the employment with the Company, the employee shall have, ninety (90) days from the date of termination to purchase any exercise shares which the employee is entitled to purchase on the given date, failing which the right to purchase such shares shall be forfeited and shall not be entitled to claim any right or title in respect thereof at any time thereafter.

As per the scheme, the Board may at any time at its discretion, change the terms and conditions of the ESOP to the extent not detrimental to the participating employees.

Employee Stock Option Plan - 2015 ('ESOP-2015')

The Board of Directors of the Company has adopted Employee Stock Option Plan - 2015 ("ESOP 2015") June 02, 2015, in accordance with the approval of members of the Company at the Extra Ordinary General Meeting held on October 07, 2015. Under the Scheme, the Company is authorised to issue up to 56,300 equity settled options of ₹ 10 each to the employees. If an Employee Stock Option expires, or becomes un-exercisable due to any reason, it shall be brought back to the Stock Options pool. The Options shall vest over a period of four (4) years. The Vesting Schedule provided for under each Agreement shall be in such a manner that 25% of the Options will vest after the completion of twelve months from the Grant Date; and thereafter, 1/12th of the remaining will vest every quarter for the next three (3) years. Upon vesting as per the Plan, they would be exercisable by the Option Grantee at any time within a period of seven (7) years from the grant date.

In the event of the termination of an employee from the employment with the Company, all the Vested Options as on date of termination of employment can be exercised within 90 days from the last working day and all Unvested Options as on date of termination of employment shall stand cancelled with effect from that date.

The options allotted on or after 01 April 2021 under ESOP 2015 scheme shall vest 50% in the first year and balance shall vest in second year. Upon vesting as per the Plan, they would be exercisable by the Option Grantee at any time within a period 60 days from the date of vesting. This has been approved by the Board at their meeting held on 01 April 2021.

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39.1 Details of number and offer prices of shares granted, exercised and cancelled/lapsed during the period/ year:

Employee Stock Option Plan - 2008 ('ESOP-2008')

Particulars	31 March 2022		31 March 2021	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Shares outstanding at the beginning of the period/ year	8,428	10	9,304	10
Shares granted during the year	-	-	-	-
Exercised during the year	8,428	10	-	-
Lapsed during the year	-	-	876	10
Shares outstanding at the end of the period/ year	-	-	8,428	10
Options vested and yet to be exercised	-	-	8,428	10
Options yet to be vested	-	-	-	-

Employee Stock Option Plan - 2015 (ESOP-2015):

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Shares outstanding at the beginning of the year	32,660	30	17,274	30
Shares granted during the year	25,610	30	16,000	30
Exercised during the year	14,525	30	-	-
Lapsed during the year	7,828	30	614	30
Shares outstanding at the end of the year	35,917	30	32,660	30
Options vested and yet to be exercised	17,140	30	14,248	30
Options yet to be vested	18,777	30	18,412	30

Note: Outstanding options under ESOP-2008 pool includes share options that have been lapsed/returned & reissued during the period from 2012 to 2014.

39.2 The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model. The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	For the period 1 April 2021 to 31 March 2022	For the period 1 April 2020 to 31 March 2021
Price of the underlying share in market at the time of the option grant (₹)	1,325.00	219.00
Exercise price (in ₹)	30.00	30.00
Option Fair Value derived (per option in ₹)	1,296.11	196.01
Risk free interest rate (%)	3.78%	6.65%
Expected volatility (%)	20.45%	18.60%
Dividend yield (%)	0.00%	0.00%

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

40 Related Party Disclosures

40.1 Related parties of the Company are as follows:

Nature of relationship	Name of the Related Party
(i) Key Managerial Personnel	Dipanjan Ghosh, Wholetime Director (Resigned w.e.f 19 October 2021)
	Tushar Kanti Adhikary, Wholetime Director (Appointed as Managing Director w.e.f 19 October 2021)
	Korada Ramkishor, Wholetime Director (Resigned w.e.f 19 October 2021)
	Girish Chandra Sabat, Wholetime Director
	Aruna Madireddy, Director (Resigned w.e.f 19 October 2021)
	Chakravarthy Kalyan Koka Prabhu Pavan, Director (Resigned w.e.f 19 October 2021)
	Kishor Parshuram Patil (Appointed w.e.f 19th October 2021)
	Anup Vitthal Sable (Appointed w.e.f 19th October 2021)
	Rajesh Janwadkar (Appointed w.e.f 19th October 2021)
(ii) Holding Company	KPIT Technologies Limited (w.e.f 1st October 2021)
(iii) Wholly owned subsidiary	PathPartner Technology Inc, USA
(iv) Wholly owned subsidiary	PathPartner Technology GmbH, Germany
(v) Entity in which Directors are interested	Zoapi Inc, USA (Dissolved w.e.f 11-06-2019)
(vi) Subsidiary	Zoapi Innovations Private Limited (from 01-09-2020 to 30-03-2021)
(vii) Entity under common control	PathPartner Interior Sensing Private Limited

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40.2 Related Party Transactions:

Nature of transactions	Name of the Related Party	31 March 2022	31 March 2021
Salary	Dipanjan Ghosh	4.93	6.71
Contribution towards EPF & NPS	Dipanjan Ghosh	0.40	0.31
Reimbursement of expenses	Dipanjan Ghosh	0.01	-
Salary	Tushar Kanti Adhikary	8.44	6.71
Contribution towards EPF & NPS	Tushar Kanti Adhikary	0.74	0.31
Reimbursement of expenses	Tushar Kanti Adhikary	0.02	-
Salary (including accrual)	Girish Chandra Sabat	8.44	6.71
Contribution towards EPF & NPS	Girish Chandra Sabat	0.74	0.31
Reimbursement of expenses	Girish Chandra Sabat	0.03	-
Sitting fees	Kishor Parshuram Patil	0.01	-
Sitting fees	Anup Vitthal Sable	0.01	-
Sitting fees	Rajesh Janwadkar	0.01	-
Sales and marketing service fees (expense)	PathPartner Technology Inc, USA	23.23	24.92
Professional fees (expense)	PathPartner Technology Inc, USA	-	4.76
Professional fees (expense)	PathPartner Interior Sensing Private Limited	1.81	-
Sales and marketing service fees (expense)	PathPartner Technology GmbH, Germany	14.08	14.09
Software development services (Revenue)	PathPartner Technology Inc, USA *	168.64	115.62
Software development services (Revenue)	PathPartner Technology GmbH, Germany*	-	6.59
Software development services (Revenue)	KPIT Technologies Limited *	13.68	-
Expenses paid by the Company on behalf of subsidiary (Receivable)	PathPartner Technology Inc, USA	0.91	0.35
Loan	PathPartner Technology GmbH, Germany	-	4.30
Interest Loan	PathPartner Technology GmbH, Germany	0.31	0.05
Sale of Business (Refer Note 36)	PathPartner Interior Sensing Private Limited	6.00	-
Sale consideration for IP purchased	PathPartner Interior Sensing Private Limited	2.50	-
Advances paid and squared off	PathPartner Technology GmbH, Germany	-	1.25
Investment in equity shares (refer note 4)	Zoapi Innovations Private Limited, India	-	0.70
* Includes unbilled revenue		5.17	0.46

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

40.3 Balance outstanding as at:

Particulars	Name of the Related Party	31 March 2022	31 March 2021
Other recoverable - Reimbursements	PathPartner Technology Inc, USA	0.58	0.35
Other recoverable - Reimbursements	PathPartner Technology GmbH, Germany	3.01	3.07
Loan including interest	PathPartner Technology GmbH, Germany	4.59	-
Trade receivables	PathPartner Technology Inc, USA	15.20	12.27
Trade receivables	PathPartner Technology GmbH, Germany	-	5.82
Unbilled revenue	PathPartner Technology GmbH, Germany	-	0.46
Unbilled revenue	KPIT Technologies Limited	4.56	-
Unbilled revenue	PathPartner Technology Inc, USA	0.61	-
Trade payables	PathPartner Technology Inc, USA	4.52	11.58
Trade payables	PathPartner Technology GmbH, Germany	2.79	5.30
Trade payables	PathPartner Interior Sensing Private Limited	2.70	-
Dues to employee	Tushar Kanti Adhikary	1.00	0.60
Dues to employee	Dipanjan Ghosh	1.00	0.62
Dues to employee	Girish Chandra Sabat	1.00	0.60

Note: Carrying value of investment in unquoted equity instruments reported in Note 6 is not considered for above disclosure.

41 Basic and diluted earnings per share

Particulars	31 March 2022	31 March 2021
Nominal value per equity share (₹)	10.00	10.00
Net profit after tax for the year (₹ In million)	18.96	43.94
Weighted average number of shares - for computing basic earnings per share (In million)	1.07	1.06
Basic earnings per share (₹)	17.76	41.59
Dilutive effect of stock options	0.03	0.03
Weighted average number of shares - for computing diluted earnings per share	1.10	1.09
Diluted earnings per Share (₹)	17.22	40.30
Earnings per share (face value per share INR 10/- each) attributable to Continuing operations		
Basic earnings per share (₹)	38.13	80.60
Diluted earnings per Share (₹)	36.97	78.09
Earnings per share (face value per share INR 10/- each) attributable to Discontinued operations		
Basic earnings per share (₹)	(20.37)	(39.00)
Diluted earnings per Share (₹)	(20.37)	(39.00)

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

42 Earnings in Foreign Currency (on accrual basis)

Particulars	31 March 2022	31 March 2021
Sale of goods - hardware (FOB value of exports)	8.60	1.77
Sale of services - software development	761.05	590.50
Interest on loan to subsidiary	0.31	0.05
Total	769.96	592.32

43 CIF Value of Imports (on accrual basis)

Particulars	31 March 2022	31 March 2021
Capital goods	2.74	3.83
Total	2.74	3.83

44 Expenditure in Foreign currency (on accrual basis)

Particulars	31 March 2022	31 March 2021
Foreign travel	-	16.27
Professional and consultancy charges	86.06	75.78
Membership & subscription charges and Business Promotion expenses	1.56	17.00
Consumables and accessories	12.02	9.40
Software license fee	1.02	2.04
Legal Fees	2.20	-
Others	0.85	0.38
Total	103.71	120.87

45 Contingent liability and capital commitments:

	31 March 2022	31 March 2021
45.1 Contingent liability not provided for:		
(i) Bond executed in favour of Customs Authorities (against which the company has furnished Bank guarantee of ₹ 0.12 million (2021 : ₹ 0.12 million))	3.85	3.85
(ii) Income tax matters appealed by the Company	4.11	3.21
The case under appeal pertains to financial year ended 31 March 2017 and financial year ended 31 March 2020, where the additional demands raised are adjusted against the refund due for that year and the matter is pending before the Commissioner of Income Tax (Appeals). Based on management's internal assessment and its interpretation of applicable tax laws, management believes that these demands are not legally tenable and accordingly no provision is required in the financial statements. (Also Refer Note 9).		
(iii) Other sums for which the company is contingently liable	-	79.29
45.2 Commitments pending on capital account, net of advances	-	2.32

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(All Amounts in Indian Rupees in millions, unless otherwise stated)

46 Segment information

- a. Pursuant to the requirement of Ind AS 108, operating segments are to be reported in the manner consistent with the internal reporting provided to the Chief Operation Decision Maker (CODM). The CODM evaluates the company's performance and allocates resources on overall basis. The Company is primarily engaged in the business of developing embedded solutions and conduct research activities in the areas of automotive driver assistance system which is its sole operating segment. Accordingly, no additional disclosures are provided other than those already reported on the financial statements.
- b. The following table presents the distribution of the Company's sales by geographical markets and segment assets and liabilities which can be attributed to customers in such markets :

Particulars	India	Rest of World	Total
As at 31 March 2022			
A) Segment Revenue			
Revenue based on location of customer	173.72	806.46	980.18
B) Segment Assets			
Carrying amount of trade receivable, unbilled revenue and contract assets	81.25	190.37	271.62
C) Segment Laibilities			
Carrying amount of trade payables, unearned revenue and provisions	77.03	118.12	195.15
As at 31 March 2021			
A) Segment Revenue			
Revenue based on location of customer	139.61	592.03	731.64
B) Segment Assets			
Carrying amount of trade receivable, unbilled revenue and contract assets	37.78	168.87	206.65
C) Segment Laibilities			
Carrying amount of trade payables, unearned revenue and provisions	79.58	15.04	94.62

47 Exemption from preparation of consolidated financial statements

Section 129(3) of the Companies Act, 2013 prescribes the requirement for preparation of the consolidated financial statements. Further, second proviso of Rule 6 of the Companies (Accounts) Rules, 2014 provides exemption from the preparation of financial statements on fulfilment of few conditions. The Company as at 31 March 2022 has complied with the conditions mentioned in Rule 6 thereby availing exemption from preparation of consolidated financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

48 Analytical ratios

Ratio/measure	Numerator	Denominator	31 March 2022	31 March 2021	Variance
Current ratio (Refer Note (i) below)	Current assets	Current liabilities	2.14	3.08	-30.57%
Debt-equity ratio (Refer Note (ii) below)	Total debt ^(a)	Shareholders' equity	0.09	0.21	-54.73%
Debt service coverage ratio (Refer Note (iii) below)	Earnings available for debt service ^(b)	Debt service ^(c)	5.17	3.02	71.04%
Return on equity (Refer Note (iv) below)	Net profits after taxes	Average shareholders' equity	5.99%	16.17%	-62.97%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.80	4.32	11.04%
Trade payables turnover ratio	Purchase of services and other expenses	Closing trade payables	6.70	6.09	10.02%
Net capital turnover ratio	Revenue from operations	Working capital	3.97	3.21	23.72%
Net profit ratio (Refer Note (iv) below)	Net profit after tax	Revenue	1.93%	6.01%	-67.79%
Return on capital employed (Refer Note (iv) below)	Earning before interest and taxes	Capital Employed ^(d)	7.16%	20.40%	-64.90%
Return on investment	Income generated from investments	Time weighted average investment	3.10%	3.25%	-4.68%

Notes:

- Debt includes current and non-current lease liabilities.
- Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + interest + other adjustments like loss on sale of fixed assets etc.
- Debt service includes lease payments for the year.
- Capital Employed = Tangible net worth + Total debt
- During the current year, the Company has discontinued its product business operations. Pursuant to this, inventory turnover ratio is not disclosed in the table above.

Explanation for variances exceeding 25%

- During the current year, on a prudent assessment, the Company has provided for potential claims. This has resulted into decrease in the ratio.
- Payment of lease rentals has resulted into improvement in the debt-equity ratio.
- Revenue growth with higher operational efficiency has resulted into improvement in the debt service coverage ratio.
- Revenue growth with higher operational efficiency has improved the profitability. However, the recognition of potential claims has resulted into decrease in the respective ratios.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All Amounts in Indian Rupees in millions, unless otherwise stated)

49 Movement in provision for probable claims

Particulars	31 March 2022	31 March 2021	01 April 2020
Balance at the beginning of the year	-	-	-
Additions during the year	84.58	-	-
Reversals during the year	-	-	-
Balance at the end of the year	84.58	-	-

50 During the year, the Company has received an email from National Company Law Tribunal (“NCLT”) with respect to a petition filed under section 241 and 242 of the Companies act 2013 by one petitioner against a private limited company, wherein PTPL and 2 of its ex- directors (director upto 19 October 2021) have been made as a Respondents. These ex- directors are shareholders and executive directors of the said private limited company .

The Company has assessed the said petition from legal standpoint in consultation with its solicitors and noted:

- The Company is no way connected to the petitioner or the said private limited company.
- In the petition, neither any averments/claims have been made against the Company nor any documents have been submitted that proved nexus between the petitioner and PTPL.
- The petitioner has used the Company’s name in this matter with a vexatious intent.

Basis the above, the Company is in process of filing a ‘Statement of Objection’ with NCLT against the petition filed and would further plead to NCLT for removal of Company’s name from the said petition. The Company is confident that no material risk/liability which needs to be provided in financial statements for the year ended 31 March 2022 on account of petition filed with NCLT.

51 The Company has established a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income Tax Act 1961. The Company is in the process of updating the documentation for the financial year 2021-2022.

The management is of the opinion that international transactions are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

FRN: 101248W / W-100022

For and behalf of the Board of Directors of

PathPartner Technology Private Limited

SWAPNIL DAKSHINDAS

Partner

M. No. 113896

UDIN : 22113896AHYJQW9193

KISHOR PATIL

Director

DIN: 00076190

TUSHAR K ADHIKARY

Director

DIN: 00362585

GIRISH CHANDRA SABAT

Director

DIN: 00913757

Place: Pune

Date: 27 April 2022

Place: Pune

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022