

MOSCHIP®

PROGRESSIVE ENGINEERING EXCELLENCE



25th

ANNUAL REPORT

2023 - 2024

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5
Design Centers



1250+
Employees



32%+
Women Employees



75+
Clients



600+
Projects



State of art
Training &
Innovation Center

MESSAGE FROM THE CHAIRMAN



K. PRADEEP CHANDRA

CHAIRMAN

Dear Shareholders,

As MosChip celebrates its 25th anniversary, I am filled with immense pride and gratitude. The past quarter-century has seen your company grow from humble beginnings into a leading player in the global Semiconductor Industry. This journey has been fueled by our unwavering commitment to innovation and excellence.

The Semiconductor industry continues to be the backbone of technological advancement across the globe, and its importance in the world economy has only been amplified in recent years. As digitalization, AI, IoT, and automation increasingly become central to business and daily life, the demand for semiconductors has surged to unprecedented levels. India, with its vast talent pool and growing capabilities in high-tech manufacturing, is emerging as a key player in the Global Semiconductor ecosystem. Today, we work closely with leading semiconductor companies worldwide, providing innovative solutions that are both reliable and scalable.



Our people are the heart and soul of MosChip. It is their dedication, expertise, and passion that have propelled us to new heights. We firmly believe that our employees are our greatest strength, and we continue to invest in their growth and development. We have built a culture that fosters creativity, collaboration, and continuous learning, ensuring that we remain at the forefront of technological innovation.

One of the most critical challenges our industry faces today is the shortage of skilled talent. To address this, we have established a state-of-the-art training center designed to nurture and develop the next generation of semiconductor professionals. Our training programs are aimed at equipping individuals with the skills and knowledge they need to succeed in this fast-evolving industry. By investing in talent development, we are not only securing our future but also contributing to the growth of India's semiconductor ecosystem.

As we continue our journey, our focus remains steadfast on creating long-term value for our shareholders. We are committed to sustainable growth, driven by innovation, operational excellence, and strategic partnerships.

The trust and confidence that you, our shareholders, have placed in us have been vital to our success, and we remain dedicated to delivering consistent returns on your investment.

Looking ahead, we are optimistic about the opportunities that lie before us. The global semiconductor market is poised for significant expansion, and India is positioned to play a crucial role in this growth. MosChip will continue to leverage its expertise, global partnerships, and innovative solutions to drive progress and create value for all stakeholders.

In conclusion, I would like to express my deepest appreciation to our employees, customers, partners, and shareholders for their unwavering support and belief in MosChip. As we celebrate our 25th year, I am confident that our best days are still ahead of us. Together, we will continue to build a brighter future for MosChip, for India, and for the global Semiconductor industry

Thank you.
Warm regards
Sincerely Yours



K Pradeep Chandra
Chairman



MESSAGE FROM THE MD & CEO

Dear Shareholders,

We are pleased to present your company's Annual Report for 2023-2024, highlighting a year of exceptional achievements and strategic advancements for your company. Over the past 4-5 years, we have consistently achieved a robust Compound Annual Growth Rate (CAGR) of 30-35%, underscoring our commitment to innovation, excellence, and customer satisfaction in the Semiconductor, Software, and System design Business units.

This year has been particularly significant, marked by two critical wins – CDAC HPC processor Aum and Smart Energy Meter IC under the DLI Scheme. The Aum Processor project win solidifies our reputation as a trusted partner in delivering complex SoCs for high-performance computing applications.

SRINIVASA RAO KAKUMANU

MD & CEO



The Smart Energy Meter IC development that we have taken up reflects our commitment to our Govt of India's vision of making India a self-reliant nation and a global hub for the semiconductor industry supply chain.

These projects have enabled us to showcase our capabilities on a larger scale, further strengthening our position as a key player in the global technology ecosystem.

Additionally, our strategic acquisition of Softnautics last year has had a profoundly positive impact on our software and system design group. This acquisition has not only brought in a few new customers but also enhanced our technical expertise, expanded our service offerings, and allowed us to deliver even more comprehensive and integrated solutions to our clients. The synergies from this acquisition have accelerated our innovation efforts, enabling us to meet the increasingly complex demands of our Tier-1 clients worldwide.

Our journey is marked by a relentless pursuit of technological advancement and a deep understanding of the evolving needs of our global clientele.

Today, we are proud to be a trusted partner to leading companies across the world, delivering cutting-edge Semiconductor, Software and System Design solutions that are at the forefront of industry transformation.

Our success is not just a reflection of our technical capabilities but also of the strategic collaborations we have fostered, the talent we have nurtured through our Training and R&D centre M-ISS (MosChip Institute of Silicon Systems), and the resilience we have demonstrated in navigating the complexities of an ever-changing market landscape.

In the rapidly evolving landscape of the Semiconductor, Software industries and System design areas, Artificial Intelligence (AI) stands as a key driver of transformative change. As we navigate this new frontier, we are gearing up to not only meet the challenges that lie ahead but also harness the boundless opportunities AI presents. From optimizing Semiconductor design processes to enhancing Software & System development with predictive analytics and automation, AI is enabling innovation at an unprecedented scale.



At MosChip, we are committed to staying ahead of the curve and investing in cutting-edge AI-driven solutions. Together with our talented teams and strategic partnerships, we are ready to lead the charge in shaping the future of the industry, driving value creation for our stakeholders, and delivering on our mission of excellence.

As we continue to scale new heights, our focus remains on driving innovation, improving operational efficiencies, and expanding our global footprint. We are committed to creating value for our stakeholders by staying ahead of the curve in technology and maintaining our leadership position in the Semiconductor, Software, and System design solutions.

This report not only highlights our financial achievements but also showcases our strategic initiatives, our dedication to sustainability, and our vision for the future. As we celebrate our 25th anniversary this year, we believe that the best is yet to come, and we are excited to embark on the next phase of our growth journey with renewed excitement and purpose.

We extend our heartfelt gratitude to our employees, customers, partners, and shareholders for their extraordinary support and trust. Together, we will continue to shape the future of technology and create lasting impact across industries and geographies in Semiconductor, Software and System Design areas. Thank you for being a part of our journey.

Thank you.
Warm regards
Sincerely Yours

K. Srinivasa Rao
Srinivasa Rao Kakumanu
MD & CEO



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CORPORATE INFORMATION

Board of Directors

Mr. K. Pradeep Chandra	—	Chairman
Mr. Srinivasa Rao Kakumanu*	—	Managing Director & CEO
Mr. Naveed Ahmed Sherwani*	—	Non-Executive Director
Mr. D. G. Prasad	—	Independent Director
Mr. Damodar Rao Gummadapu	—	Non-Executive Director
Mrs. Madhurika Nalluri Venkat	—	Independent Director
Mr. G. V. Pranav Reddy**	—	Non-Executive Director
Mr. Vinayendra Parvathaneni**	—	Non-Executive Director

* Mr. Srinivasa Rao Kakumanu appointed as Managing Director & CEO w.e.f. 26th October, 2023 and Mr. Naveed Ahmed Sherwani appointed as an Additional Director In Non-executive Category of the Company w.e.f. 17th June, 2023.

** Mr. G.V. Pranav Reddy & Mr. Vinayendra Parvathaneni appointed as an Additional Director In Non-executive Category of the Company w.e.f. 04th November, 2023

*** Mr. Rajeev Krishnamoorthy ceased to be a Director w.e.f. 29th January, 2024, Mr. Venkata Sudhakar Simhadri ceased to be a Director w.e.f. 25th October, 2023 and Mr. K. Ramachandra Reddy ceased to be a Director w.e.f. 01st May, 2023.

COMMITTEES OF THE BOARD

Audit Committee

Mr. D. G. Prasad	—	Chairman
Mr. K. Pradeep Chandra	—	Member
Mr. Naveed Ahmed Sherwani	—	Member
Mrs. Madhurika Nalluri Venkat	—	Member

Stakeholders Relationship Committee

Mrs. Madhurika Nalluri Venkat	—	Chairperson
Mr. K. Pradeep Chandra	—	Member
Mr. Damodar Rao Gummadapu	—	Member

Mr. Srinivasa Rao Kakumanu

Chief Executive Officer

Mr. Jayaram Susarla

Chief Financial Officer

CS Suresh Bachalakura

Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. S. T. Mohite & Co.

Chartered Accountants

G-5, B-Block, Paragon Venkatadri Apartments

3-4-812, Street No. 1, Barkatpura,

Hyderabad – 500 027.

REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Limited

Karvy Selenium, Tower B,

Plot No. 31 & 32, Financial District,

Gachibowli, Hyderabad - 500 032,

Telangana, India, Tel: 040-4465 5209, Email: einward.ris@karvy.com

Nomination & Remuneration Committee

Mrs. Madhurika Nalluri Venkat	—	Chairperson
Mr. K. Pradeep Chandra	—	Member
Mr. D. G. Prasad	—	Member
Mr. Damodar Rao Gummadapu	—	Member

Risk Management Committee

Mr. Naveed Ahmed Sherwani	—	Chairman
Mr. D. G. Prasad	—	Member
Mrs. Madhurika Nalluri Venkat	—	Member

REGISTERED OFFICE

7th Floor, My Home Twitza,
Plot No. – 30/A, Survey No. 83/1
TSIIC Hyderabad Knowledge City,
Hyderabad, Telangana – 500081.
Tel: 040-6622-9292
Fax: 040-6622-9393
Website: www.moschip.com

SECRETARIAL AUDITORS

M/s B S S & Associates
Company Secretaries
Off: Parameswara Apartments
6-3-626, 5th Floor, 5 – A
Anand Nagar, Khairatabad
Hyderabad - 500004.

DIRECTORS' REPORT

To the Members,

Your Directors' take immense pleasure in presenting the 25th Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March 2024. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Summary of Financial Results

(Rs. in Lakhs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Consolidated	Standalone	Consolidated	Standalone
Income from operations	29,391.43	22,283.89	19,835.54	17,120.28
Other Income	323.54	321.53	496.79	445.62
Total Revenue	29,714.97	22,605.42	20,332.33	17,565.90
Profit before exceptional item, Interest, Depreciation and Tax	3,620.85	2,188.99	2,936.45	2,241.20
Profit before Interest, Depreciation and Tax	3,620.85	2,188.99	2,936.45	2,241.20
Less: Interest	601.98	557.37	772.37	742.29
Less: Depreciation/Amortization	2,026.22	1,149.70	1,732.18	1,163.92
Profit before tax	1,132.65	621.92	623.90	526.99
Less: Tax Expenses	144.21	-	6.13	-
Profit after tax	988.44	621.92	617.77	526.99
Net Profit for the year	988.44	621.92	617.77	526.99

2. Performance Review

Your Company, MosChip Technologies Limited is a fabless semiconductor and embedded design services Company with focus on turn-key digital and mixed-signal ASICs, SerDes IP and system design solutions. It specializes in product design and development services ranging from Chip Design to Systems Development. It works with globally acclaimed chip design companies in the areas of Aerospace, Defence, Consumer and Industrial applications. Over the past 2 decades, MosChip has developed and shipped millions of connectivity ICs.

On consolidated basis, the income from operations grew to Rs. 29,391.43 lakhs from Rs. 19,835.54 lakhs registering a growth of 48.18 % year on year. The increased growth is predominantly attributed to the growth of Turnkey ASICs and IP services revenue. The Profit before Interest, Depreciation and Tax stood at Rs. 3,620.85 lakhs while that of previous year stood at Rs. 2,936.45 lakhs. The Consolidated results showed a Net profit for the year at Rs. 988.44 lakhs as against a Net profit of Rs. 617.77 lakhs in the previous year.

On a standalone basis, income from operations for the year stood at Rs. 22,283.89 lakhs as against Rs. 17,120.28 lakhs in the previous year. Standalone Net profit for the FY 2023-2024 was Rs. 621.92 lakhs as against Net Profit of Rs. 526.99 lakhs for the FY 2022-2023.

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

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

3. Subsidiaries, Joint Ventures and Associate Companies

As on 31st March, 2024, the Company has 5 subsidiaries, namely;

- 01) MosChip Technologies, USA.
- 02) MosChip Institute of Silicon Systems Private Limited.
- 03) MosChip Technologies W.L.L.
- 04) Softnautics Inc.
- 05) Softnautics LLP (the wholly owned subsidiary of Softnautics Inc).

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

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

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, Consolidated Financial Statements along with relevant documents and separate audited accounts in respect of the subsidiaries, are available on the Company website at <https://moschip.com/subsidiary-financial-reports/>.

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;

During the year under review Softnautics Inc become to be its Subsidiaries and the Board of Directors decided to close down MosChip Technologies W.L.L., the Bahrain subsidiary. The liquidation process is completed on 24th June, 2024.

4. Dividend & Transfers to Reserves

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

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

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the Company's website at <https://moschip.com/wp-content/uploads/2023/02/Dividend-Distribution-Policy.pdf>

5. Share Capital

(a) Increase in Authorised Share Capital

There is no change in Authorised Share Capital of the Company during the year, the Authorised Share Capital comprises of Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakhs Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crores Twenty Seven Lakhs and Fifty Five Thousand only) Equity Shares of Rs.2/- (Rupees Two only).

(b) Increase in Paid-up Share Capital

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

S. No	Date of allotment	Number of shares allotted	Allotment Price in Rs.	Particulars
1	10-06-2023	1,14,52,498	65.22	Preferential Issue
2	16-06-2023	18,750	18.00	Exercise of Stock options
3	16-06-2023	26,665	16.00	Exercise of Stock options
4	16-06-2023	1,00,000	16.00	Exercise of Stock options
5	16-06-2023	25,000	18.00	Exercise of Stock options
6	16-06-2023	3,750	24.00	Exercise of Stock options
7	16-06-2023	9,500	40.00	Exercise of Stock options
8	04-08-2023	5,01,000	18.00	Exercise of Stock options
9	04-08-2023	9,62,373	16.00	Exercise of Stock options
10	04-08-2023	50,125	24.00	Exercise of Stock options
11	04-08-2023	42,750	40.00	Exercise of Stock options
12	04-10-2023	6,52,250	18.00	Exercise of Stock options
13	04-10-2023	10,04,692	16.00	Exercise of Stock options
14	04-10-2023	12,500	18.00	Exercise of Stock options
15	04-10-2023	1,54,875	24.00	Exercise of Stock options
16	04-10-2023	6,000	31.28	Exercise of Stock options
17	04-10-2023	58,000	40.00	Exercise of Stock options
18	04-10-2023	5,035	40.00	Exercise of Stock options
19	04-10-2023	2,080	40.00	Exercise of Stock options
20	07-12-2023	19,500	18.00	Exercise of Stock options
21	07-12-2023	3,30,836	16.00	Exercise of Stock options
22	07-12-2023	51,500	24.00	Exercise of Stock options
23	07-12-2023	8,750	31.28	Exercise of Stock options
24	07-12-2023	36,000	40.00	Exercise of Stock options
25	07-12-2023	60,400	40.00	Exercise of Stock options
26	07-12-2023	3,23,605	40.00	Exercise of Stock options
27	22-12-2023	52,70,100	95.52	Preferential Issue
28	06-02-2024	2,41,387	16.00	Exercise of Stock options
29	06-02-2024	20,000	26.00	Exercise of Stock options
30	06-02-2024	1,19,089	40.00	Exercise of Stock options

Consequent to the above, the subscribed, issued and paid-up equity share capital of your Company as on March 31, 2024 stood at Rs.37,62,71,598 /- comprising of 18,81,35,799 Equity Shares of Rs.2 /- each.

On 09.04.2024, the Company allotted 4,11,933 Equity Shares pursuant to exercise of vested stock options by employees.

On 13.06.2024, the Company allotted 6,62,366 Equity Shares pursuant to exercise of vested stock options by employees.

On 13.08.2024, the Company allotted 5,32,162 Equity Shares pursuant to exercise of vested stock options by employees.

Utilisation of funds raised through issue of Equity Shares, as required under Regulation 32(4) of the SEBI (LODR) Regulations, 2015, is included in the Report on Corporate Governance

(c) Buy Back of Securities

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

(d) Sweat Equity

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

(e) Bonus Shares

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

(f) Equity Shares with differential rights

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

(g) Dematerialization of Shares

99.75% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2024 and balance 0.25% is in physical form. The Company's Registrars are KFin Technologies Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad, Telangana- 500 032.

6. Major events occurring after the balance sheet date

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

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

(b) Change in the Nature of Business

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

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

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

7. Directors and Key Managerial Personnel

(a) Inductions, Changes & Cessations in Directorships during the year 2023-2024

Mr. K. Pradeep Chandra (DIN: 05345536) and Mr. Govinda Prasad Dasu (DIN: 00160408) reappointed as Non-Executive Independent Directors in the shareholders meeting (EGM) held on 26th April, 2023.

Mr. K. Rama Chandra Reddy (DIN: 00042172) resigned from the position of Independent Director w.e.f. 01.05.2023. The Board in its Meeting dated 24.05.2023 placed on record its appreciation for the Services, assistance and guidance provided by Mr. K. Rama Chandra Reddy.

Mr. Venkata Sudhakar Simhadri (DIN: 01883241) vacated his office as Managing Director due to his appointment term ends on 25.10.2023. The Board in its Meeting dated 26.10.2023 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Venkata Sudhakar Simhadri.

Mr. Rajeev Krishnamoorthy (DIN: 09542130) resigned from the position of Independent Director w.e.f. 29.01.2024. The Board through resolution by circulation dated 06.02.2024 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Rajeev Krishnamoorthy.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Naveed Ahmed Sherwani (DIN: 10199022) as an Additional Director in Non-Executive Director Category with effect from 17.06.2023 and approval of members by way of special resolution was taken in the 24th Annual general meeting of the Company held on 15.09.2023.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Srinivasa Rao Kakumanu (DIN: 06726305) as MD & CEO of the Company with effect from 26.10.2023 for a period of 05 years and approval of members by way of special resolution was taken in the extra-ordinary general meeting held on 17.12.2023.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Gunupati Venkata Pranav Reddy (DIN: 06381368) as an Additional Director in Non-executive & Non Independent category with effect from 04.11.2023 and approval of members by way of special resolution was taken in the extra-ordinary general meeting held on 17.12.2023.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Vinayendra Parvathaneni (DIN: 07789149) as an Additional Director in Non-executive & Non Independent category with effect from 04.11.2023 and approval of members by way of special resolution was taken in the extra-ordinary general meeting held on 17.12.2023.

Directors retire by rotation

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company Mr. Naveed Ahmed Sherwani (DIN:10199022) and Mr. Damodar Rao Gummadapu (DIN : 07027779) Non-Executive Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

(b) Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2024 are:

Mr. Srinivasa Rao Kakumanu *	- Chief Executive Officer & Managing Director
Mr. Jayaram Susarla	- Chief Financial Officer
Mr. Suresh Bachalakura	- Company Secretary

* Mr. Srinivasa Rao Kakumanu appointed as MD & CEO w.e.f. 26.10.2023.

** Mr. Venkata Sudhakar Simhadri ceased to be MD & CEO w.e.f. 25.10.2023

(c) Independent Directors

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

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

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

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

(d) Familiarization programme for Independent Directors

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

Programme for the Independent Directors are provided separately in the Corporate Governance Report which forms a part of this Directors' Report.

(e) Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board, Committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI Listing Regulations.

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

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

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

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

(f) Audit Committee

Details pertaining to composition of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

(g) Nomination and Remuneration Committee

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

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

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

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

The information required pursuant to Section 197 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure – C** to this report.

Disclosures relating to remuneration and other details as required under Section 197 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure – C** to this report. Further, the Annual Report excluding the aforesaid information is being sent to the members of the Company. In terms of Section 136 of the Act, the said annexure is open for inspection at the registered office of the Company and any member interested in obtaining such information may write to the Company Secretary at suresh.cs@moschip.com.

(h) Stakeholders Relationship Committee

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

(i) Risk Management Committee

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

(j) ESOP plans

Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plans of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

(a) MosChip Stock Option Plan – 2005(MI)

(b) MosChip Stock Option Plan – 2005(WOS)

(c) MosChip Stock Option Plan – 2008

(d) MosChip Stock Option Plan – 2008(ALR)

(e) MosChip Stock Option Plan – 2008(Director)

(f) MosChip Stock Option Plan – 2018

(g) MosChip Stock Option Plan -- 2022

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

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

(k) Number of meetings of the Board

09 meetings of the Board were held during the year 2023-2024. Details of these meetings as well as the meetings of its committees have been given in the Corporate Governance Report, which forms part of the Directors' Report.

8. Corporate Social Responsibility (CSR) Initiatives

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e., (a) Networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs.1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the net profit of the Company was more than 5 Crores for the financial year 2022-2023, the Company had an obligation to spend at least 2% average net profits of the Company made during the 3 immediately preceding financial years in pursuance of the CSR policy during the year 2023-2024. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company along with the initiative taken by it are set out in **Annexure- J** of this report. The policy is available on the website of the Company, <https://moschip.com/wp-content/uploads/2023/06/CSR-policy.pdf>

9. Internal Financial Controls and its adequacy

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

The Company has an external audit firm to perform internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all key processes. Deviations, if any, are reviewed

quarterly and due compliance is ensured. Summary of Significant Audit Observations along with recommendations and its implementation is reviewed by the Audit Committee and reported to the Board.

10. Vigil Mechanism / Whistle Blower Policy

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, a Vigil Mechanism / Whistle Blower Policy for directors and employees to report genuine concerns has been established. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company at <https://moschip.com/wp-content/uploads/2024/03/Whistle-Blower-Policy.pdf>

11. Deposits

The Company has not accepted any deposits from public and as such, covered under Chapter V of the Act and no amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2024.

12. Statutory Auditors and Auditors' Report

M/s. S. T. Mohite & Co., Chartered Accountants (Firm Registration No. 011410S) were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 23rd Annual General Meeting (AGM) held on August 26, 2022 till the conclusion of the 28th AGM of the Company to be held in the year 2027.

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

The Report of the Statutory Auditors for the year ended 31st March, 2024 forming part of the Annual Report does not contain any qualification, reservation, observation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud, under sub-section (12) of section 143 other than those which are reportable to the Central Government, to the Audit Committee of the Company in the year under review.

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

13. Internal Audit

As per the provisions of Section 138 of the Act and the rules made there under, the Board of Directors had appointed M/s Gokhale & Co, Chartered Accountants, Hyderabad (FRN No: 000942S), as an Internal Auditor to conduct the internal audit of the Company for the Financial Year 2023-2024.

Further, on the recommendation of audit committee, the Board of Directors of the Company has approved the re-appointment of aforesaid audit firm as internal auditors for the Financial Year 2024-2025.

14. Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. BSS & Associates, Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2023-2024. The Secretarial Audit Report and Secretarial Compliance Report are annexed here with as **Annexure – E**. The Secretarial Audit Report and Secretarial Compliance Report do not contain any qualifications, reservation or adverse remark.

15. Cost Records and Audit

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

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

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

17. Related Party Transactions

Related Party Transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseeable and repetitive nature. The particulars of contracts or arrangements with related parties

referred to in section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure - G** to this Report.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules thereunder and the SEBI Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at <https://moschip.com/wp-content/uploads/2017/02/PolicyOnRelatedPartyTransactions-1.pdf>.

18. Annual Return

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company is placed on the Website of the Company at <https://moschip.com/annual-reports/>.

19. Particulars of Loans, Guarantees or Investments

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

20. Directors' Responsibility Statement

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- f) The directors had devised proper systems to ensure compliance by the Company with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-2024.

21. Corporate Governance and Shareholders Information

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

22. Secretarial Standards

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

23. Risk Management Policy

In pursuant to the provisions of the Section 134 (3)(n) of the Companies Act 2013, the Company has formulated

Risk Management Policy to mitigate and manage the risk including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. A copy of the Risk Management Policy is available in Company website at <https://moschip.com/wp-content/uploads/2024/07/Risk-Management-Policy.pdf>

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

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

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

25. Insider Trading

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

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

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

26. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year

During the year under review, Company has not made any application under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

27. 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 requirement to disclose 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 is not applicable.

28. Business Responsibility and Sustainability Report (BRSR)

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

29. Disclosure of Accounting Treatment

The financial statements have been prepared and presented under the historical cost basis except for certain financial instruments which are measured at fair value or amortized cost and accrual basis of accounting, unless otherwise stated, and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021, in so far as they are applicable to the Company.

30. Disclosures with respect to demat suspense account/ unclaimed suspense account

Not applicable.

31. Disclosure of certain types of agreements binding the Company

During the year 2023-2024, the Company has not entered into any agreement which is binding the Company.

32. Human Resource

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind your Company's vision. Your Company appreciates the spirit of its dedicated employees.

Annexures forming part of this report

Annexures	Particulars
A	Management Discussion & Analysis Report
B	Form AOC – 1 (Report on Subsidiary companies)
C	Remuneration related disclosures as per Section 197 read with rules made thereunder
D	Statement on outstanding ESOP Plans
E	Secretarial Audit Report & Secretarial Compliance Report
F	Particulars on conservation of energy, absorption of technology and foreign exchange earnings and outgo
G	Form AOC – 2 (Related Party disclosures)
H	Report on Corporate Governance
I	Business Responsibility and Sustainability Report
J	Annual Report on CSR

Acknowledgment

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

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

For and on behalf of the Board of Directors

K. Pradeep Chandra
Director and Chairman
DIN: 05345536

Place: Hyderabad
Date: 05th September, 2024

Annexure 'A' to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Company Overview:

MosChip Technologies Limited is a publicly traded semiconductor and system design solutions company headquartered in Hyderabad, India, with 1300+ employees located in Silicon Valley-USA, Hyderabad, Bangalore, Ahmedabad and Pune. MosChip provides turn-key digital and mixed-signal ASICs, design solutions, SerDes IP, and embedded system design solutions. Over the past 2 decades, MosChip has developed and shipped millions of connectivity ICs. For more information, visit www.moschip.com. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report and Annual Accounts 2023-24. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

 **CAPABILITIES**



SILICON ENGINEERING SOLUTIONS

-  Semiconductor Design Solutions
-  IP Portfolio & Solutions
-  OSAT Solutions
-  ASIC Platforms & Solutions



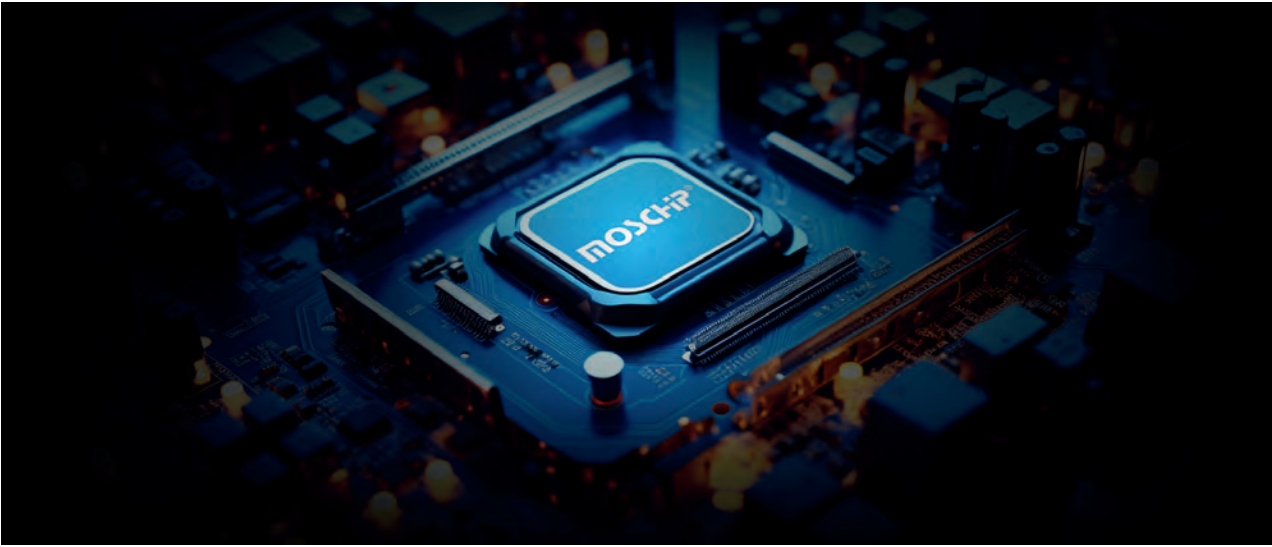
PRODUCT ENGINEERING SOLUTIONS

-  Hardware Design & System Engineering
-  Multimedia & Vision Engineering
-  Quality & Automation Engineering
-  Embedded Systems & Device Engineering
-  Digital & Mobility Engineering
-  Connectivity & Network Engineering



INTELL'AI'GENCE

-  Computer Vision
-  ML Lifecycle Management
-  AI/FPGA Acceleration Solutions
-  Generative AI
-  Cognitive Computing



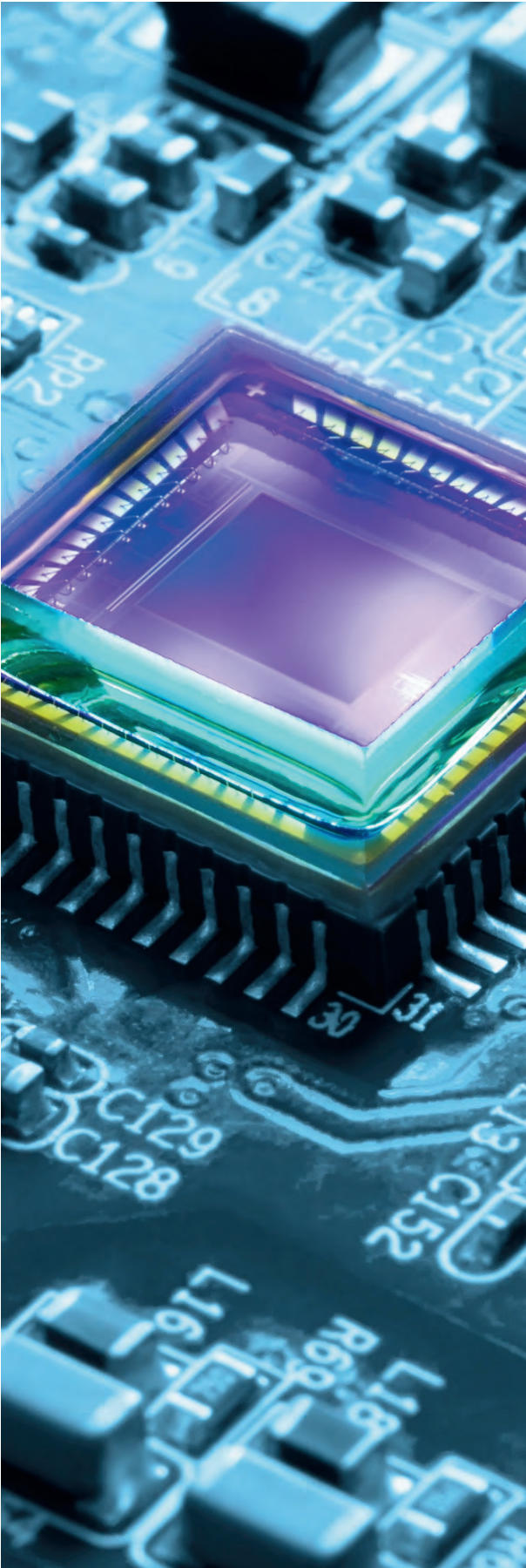
SILICON

ENGINEERING SOLUTIONS

MosChip powers your innovation from specs to silicon delivering advanced Systems on Chip.

The silicon industry is expected to continue driving electronics innovation leading to the next-gen IoT era of connected devices. The demand for smaller sizes, increased performance, reliability, and functionality on chip is rising. As new-age technologies like machine learning, artificial intelligence, edge computing, and cloud computing become more prevalent, there is a need for highly efficient and specialized chip design to support these advancements.

MosChip being a pioneer in the field of semiconductors company that excels in semiconductor device design, bringing in innovation & technological advancement. With more than a two decade of experience in semiconductor solutions, MosChip masters the science behind ASIC/SoC/FPGA RTL design from idea to realization and deployment, ASIC turnkey solutions, IP design and integration. Our spectrum of expertise includes chip design, verification, synthesis, STA, Physical design, SW/FW development, PCB Board design, testing, silicon bring-up, protocol validation, certification, etc.

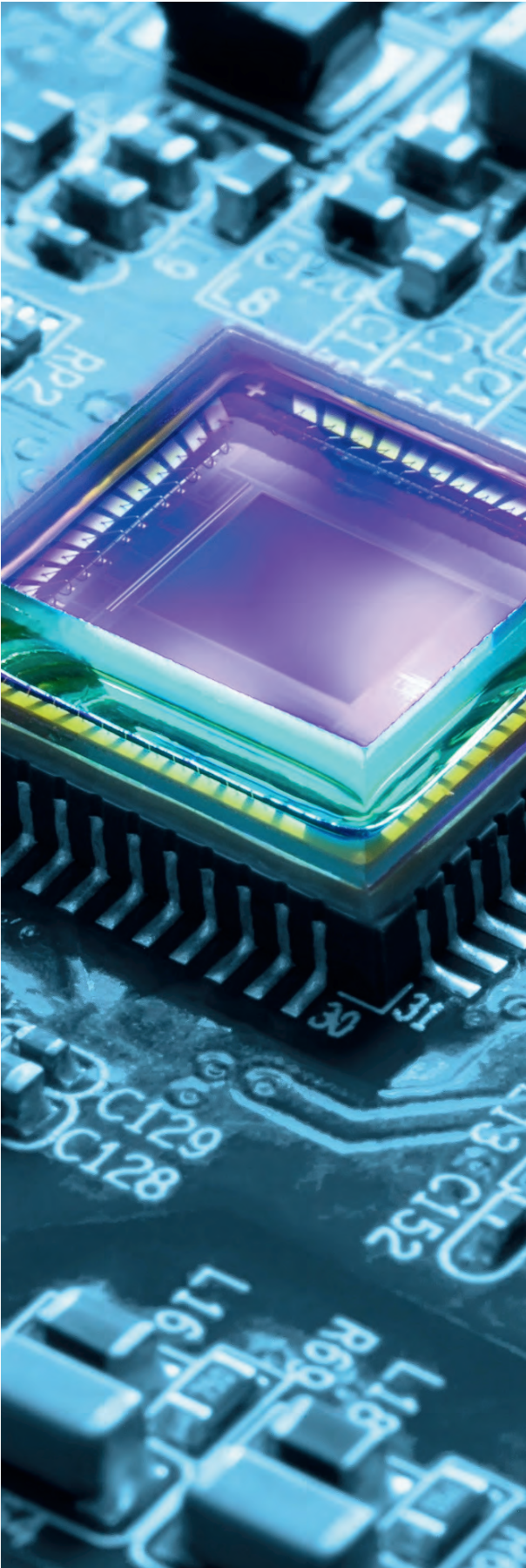


SEMICONDUCTOR DESIGN SOLUTIONS

Specifications to GDSII with our Semiconductor Design solutions

25 years of revolution in silicon engineering and product engineering solutions from India to the world.

The semiconductor industry continues to lead technological advancements, driving progress across various sectors such as consumer electronics, automotive, telecommunications, and healthcare. The growing demand for more powerful, efficient, and compact devices has intensified the need for sophisticated semiconductor design and manufacturing. MosChip offers end-to-end semiconductor design solutions with a focus on cutting-edge designs tailored to the various industrial requirements. Our commitment to innovation and quality development has positioned us as leaders in the field. Our capabilities encompass every aspect of semiconductor design, from conceptualization to final product delivery, ensuring a holistic and accountable approach.



OFFERINGS

RTL Design & Verification

With over 20 years in the industry, MosChip excels in RTL Design and Design Verification, offering in-house IP verification, low power intent verification, ASIC Prototyping, and post-silicon validation. Their expertise in SoC verification languages, peripheral system deployment, and industry-standard methodologies ensures error-free designs and reduced time-to-market. MosChip has proven invaluable to semiconductor product companies worldwide, providing custom IP verification for various standard interfaces.

Physical Design & DFT

MosChip specializes in RTL to GDSII using both Cadence and Synopsys flows. We not only maintain leading EDA infrastructure for physical design, but also employ a team with dedicated subject matter experts with rich experience in the physical design flow and methodologies critical to achieving optimum performance, power, and area (PPA). Our proven flows and methodologies ensure that the design gets through the range of foundry-specific DRCs, LVS, and ERCs precisely to avoid multiple iterations avoid delays, and stay on schedule.

Analog Design

Analog design solutions deal with designing and optimizing analog circuits and systems that are essential for converting real-world signals into digital data that semiconductors can process. At MosChip, we offer analog design solutions involving Analog/RF circuit design, component selection, Mixed signal IP design, complex IP porting like SerDes and DDR.

Analog Layout

Over two decades, MosChip has specialized in developing layouts for analog and Mixed-signal chips, focusing on 14nm, 10nm, and 7nm process nodes. Collaborating with TSMC, GlobalFoundries, and Samsung, we have expertise in high-frequency PLLs, SerDes, PMUs, RF designs, memories, data converters, and DDR/GDDR IOs.



IP PORTFOLIO & SOLUTIONS

Accelerating advance chip design with our IP Portfolio and solutions

MosChip offers a range of semiconductor IP blocks for design and verification, with in-house IPs and a skilled team. Their expertise and ecosystem help clients quickly develop, test, and integrate IP solutions for competitive products and efficient monetization.

OFFERINGS

Digital IPs

MosChip offers over 30 digital IPs and provides verification IPs and validation solutions for analog, Mixed-signal, ASIC, SoC, digital logic, and custom IP. Advanced verification methods are tailored to each client's process.

Verification IPs

MosChip provides over 30 reusable verification IPs, including USB modules, traffic generators, and protocol monitors, to speed up the verification process. These IPs are compatible with all verification environments and simulator languages.

Mixed-Signal IPs

Mixed-Signal IP integrates analog and digital circuits on a single chip for efficient signal processing in SoC designs. It's used in applications like communication systems and IoT devices to reduce development time and costs.

IP Solutions

MosChip provides custom IP design solutions in Digital, Verification, and Mixed-signal domains, using a top-tier team for efficient solutions in SerDes, data converters, serial links, and power management. Our technology and expertise ensure seamless integration and faster chip design.



ASIC Platforms & Solutions

Delivering Mixed Signal and Edge Device SoC with our ASIC Platforms and Solutions

The growing demand for custom silicon solutions is driven by the need for efficiency, lower power consumption, and better functionality integration. ASICs address unique application requirements across industries, enhancing edge device performance and optimizing power management. MosChip offers ASIC platforms and design solutions from RTL to volume production to meet the needs of various industrial domains.

OFFERINGS

ASIC Design

RTL Design and IP Integration | Verification | Pre-Silicon Validation (FPGA Prototype) | RTL2GDSII (Synthesis, DFT, Place & Route) | GDSII to Silicon (Tape-out, Foundry and OSAT Interface, Volume Production)

ASIC Platforms

NNP based ASIC Platform for Edge AI | Low Frequency Monitoring ASIC Platform for Healthcare | RISC-V based ASIC Platform for Smart Meters



OSAT Solutions

Serving semiconductor supply chain with OSAT Solutions

In the rapidly evolving semiconductor industry, efficiency, precision, and reliability are paramount. OSAT solutions play a vital role in the semiconductor supply chain ensuring that silicon devices meet the quality and performance standards. Such solutions help deliver novel packaging and test solutions for semiconductor businesses across areas like consumer electronics, computers, automotive electronics, and wearable devices.

OFFERINGS

Packaging

Advanced packaging solutions ensuring the reliability and performance of your semiconductor devices, offering a variety of packaging types to suit client's specific requirements.

Bumping

Providing bumping to facilitate the connection between the chip and the package, enhancing electrical performance and thermal management.

Assembly

Our assembly solutions guarantee precise and reliable integration of components, transforming delicate, processed silicon wafers into robust, functional semiconductor devices that can withstand the rigors of real-world applications.

Testing

We offer comprehensive testing solutions to verify the functionality of semiconductor devices, ensuring they meet the highest quality standards.

Dropship

MosChip provides efficient dropship solutions to deliver your fully tested and assembled semiconductor devices directly to your end customers, streamlining the supply chain and reducing lead time.



PRODUCT

ENGINEERING SOLUTIONS

Transform ideas from concept to market reality with our Product Engineering Solutions

MosChip believes that convergence of innovation and expertise brings your ideas to life. In alignment with the belief, our product engineering solutions enable business across domains to build innovative next-gen products/solutions at optimum cost and rapid timeline. Our solutions span over every stage of the product development lifecycle, encompassing hardware design & System Engineering, Embedded Systems & Device Engineering, Multimedia & Vision Engineering, Mobile Apps & Software Engineering, Quality & Automation Engineering, Connectivity & Network Engineering, and Digital Engineering.



HARDWARE DESIGN & SYSTEM ENGINEERING

Developing cutting-edge solutions with our hardware design and system engineering solutions.

The technological advancement in processors, connectivity, sensors, and software has created a huge demand in the market for connected devices and solutions across industries. This evolution in turn generates the requirements of high performance, low power, and small form-factor semiconductor designs.

MosChip® comprehensively addresses this need with its hardware design and systems software engineering solutions comprising FPGA RTL design and platform design, embedded systems and software development, and security solutions. With engineering innovation and experience, we have enabled revolutionary product designs and solutions for businesses across the globe. Moreover, our premium partnerships with leading semiconductor companies like AMD-Xilinx, Altera®-Intel, Lattice Semiconductor, and Microchip enable us with early access and expertise on their latest platforms.

OFFERINGS

FPGA Design

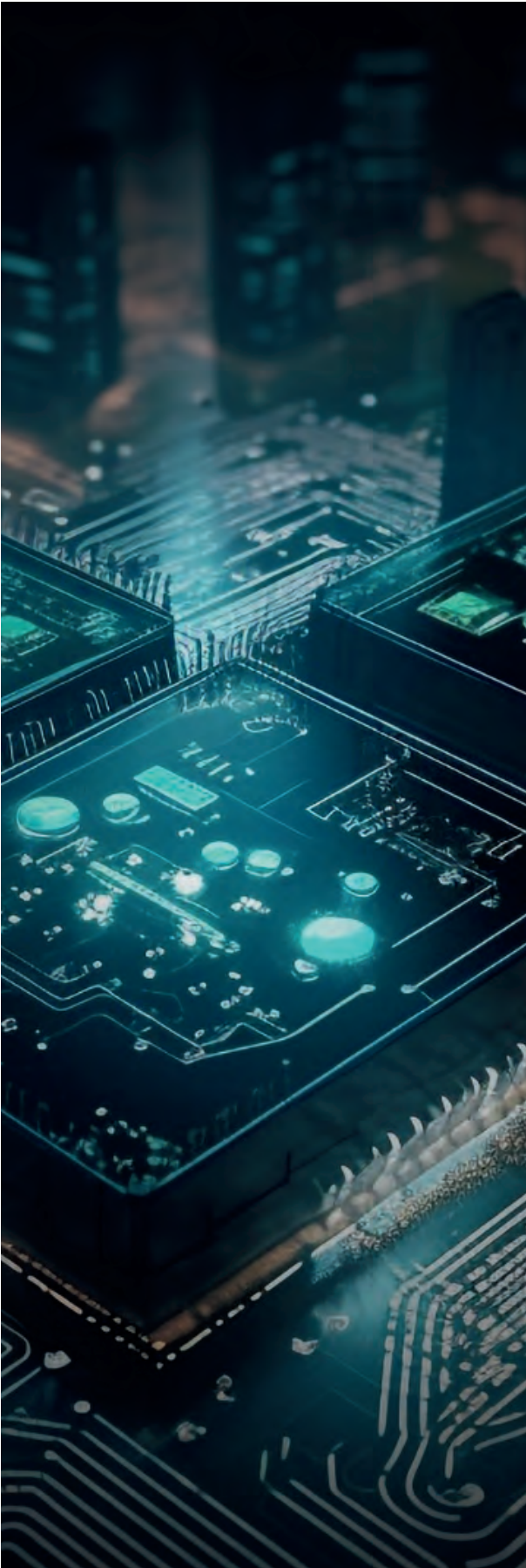
RTL Front-End Design & Integration | FPGA Firmware, Software & Systems Bring-up | FPGA Acceleration Solutions | Interface & IP Integration | Reference Design.

Complex/High-Speed Systems Design

System Architecture/ Schematic Design | HDI PCB Layout Design | Custom Mechanical Form Factor based platform Designs | SI/ PI/ Thermal Sims | System Integration & Software Testing | Design updates with Version Control | Prototyping and Manufacturing.

Embedded Software & Desktop GUI Development

Micro Controller based Bare metal FW development | Bare metal Library and Linux Device Driver development | BSP Development | RTOS integration, Customisation and porting | Linux Customisation and Porting | Android Customisation and Porting.



EMBEDDED SYSTEM & DEVICE ENGINEERING

Expedite your Solution Design with our Embedded Systems & Device Engineering Solutions

As smart devices advance, companies need embedded engineering partners with skills in software, device design, development, and support. MosChip® offers comprehensive turn-key solutions, including system/device design, platform enablement, firmware development, and testing. With decades of expertise, we ensure stable, optimized systems and devices, delivering successful projects with faster time to market.

OFFERINGS

Embedded Systems and Device Engineering

MosChip® offers a range of solutions including PCB layout, hardware design, and bring-up; custom and COTS enclosure designs; system/product design; software development; platform enablement; integration and testing; BSP & OS porting; firmware and driver development; middleware integration; system validation; and product re-engineering.

FPGA Design and Solutions

RTL Front-End Design & Integration | FPGA Software & Systems Bring-up | FPGA Acceleration Solutions | Interface & IP Integration | Reference Design.

FPGA Design

RTL Front-End Design & Integration | FPGA Firmware, Software & Systems Bring-up | FPGA Acceleration Solutions | Interface & IP Integration | Reference Design.



MULTIMEDIA & VISION ENGINEERING SOLUTIONS

Delivering Versatile Solutions to Businesses for Audio-Video Processing, Streaming and Machine Vision

As multimedia technology evolves, MosChip specializes in high-end audio/video systems for various platforms, including ARM, DSP, GPUs, and FPGAs. We offer expertise in vision engineering for media infotainment, streaming, audio/video solutions, and camera applications. Our cutting-edge solutions cater to Media & Entertainment, Automotive, Gaming, Consumer Electronics, and Security industries.

OFFERINGS

Audio Solutions

Audio codec engineering | Audio Streaming | Audio algorithm development | Audio on Android

Video Solutions

Video codec engineering | Surveillance and DVR | Video-On-Demand workflow development | WebRTC Development | Video Analysis & Validation.

Vision Solutions

Computer vision solutions including application development, optimized vision libraries, vision acceleration frameworks, vision processing plugins, and media infotainment systems.

Embedded & Multimedia

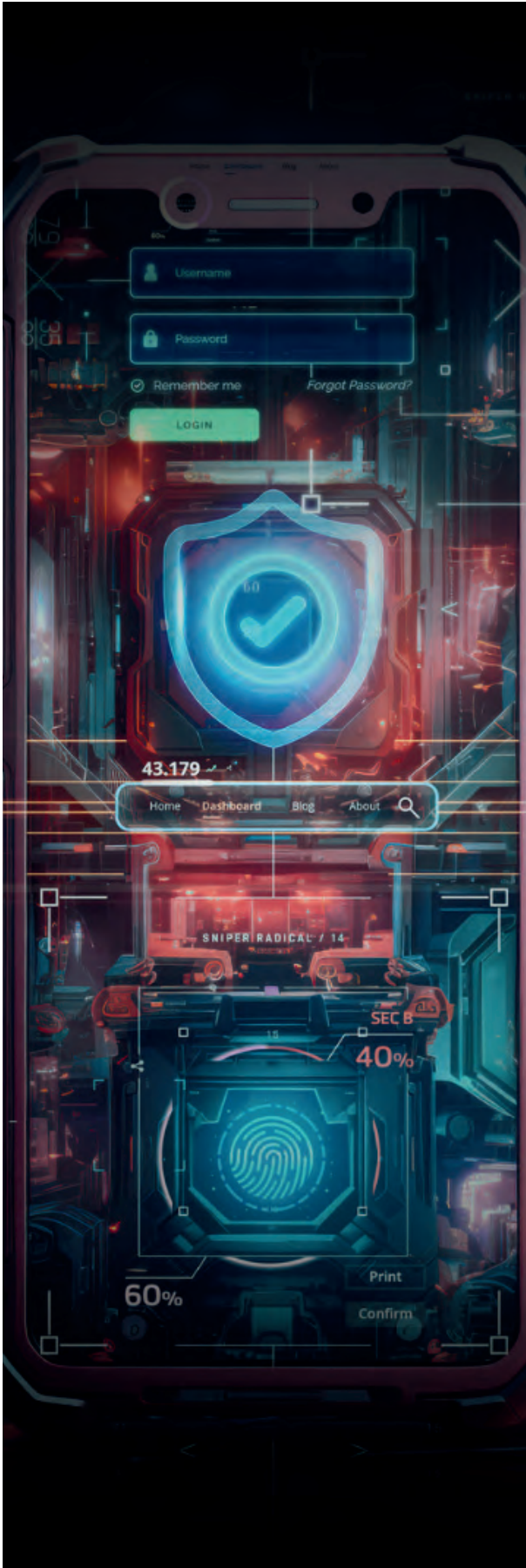
Multimedia framework integration, SDK development, Android multimedia HAL development, media infotainment systems, and audio-video bridge solutions.

Camera Enabled Solutions

Smart camera applications | Firmware & driver development | Image Signal Processing (ISP) | Camera framework integration.

Immersive Solutions

AR/VR application development | VR gadget feature development | VR streaming on Wi-Fi | Open standard-based VR/AR | VR on cloud.



DIGITAL & MOBILITY ENGINEERING SOLUTIONS

Developing connected solutions with our Digital and Mobility Engineering Solutions.

With over 12 billion connected devices, IoT is transforming business strategies across smart homes, cars, and enterprises. MosChip provides custom IoT solutions, including edge devices, gateways, and connected applications. Our expertise spans wireless protocols, automotive systems, industrial communication, and IoT standards like MQTT. We support clients from concept through deployment, enhancing their digital capabilities and competitive edge.

OFFERINGS

Audio Solutions

Audio codec engineering | Audio Streaming | Audio algorithm development | Audio on Android

IoT

IoT device connectivity | Gateway integration & management | Digital twin | IoT device lifecycle management | Gateway & cloud security.

Mobility

Mobile App Design & Development | UI/ UX Design | Mobile App Testing & QA | Performance Optimization | Device Integration | Security and Compliance | OSP customizations.

Cloud

Cloud migration | Cloud design & architecture | Cloud service integration.

Cybersecurity

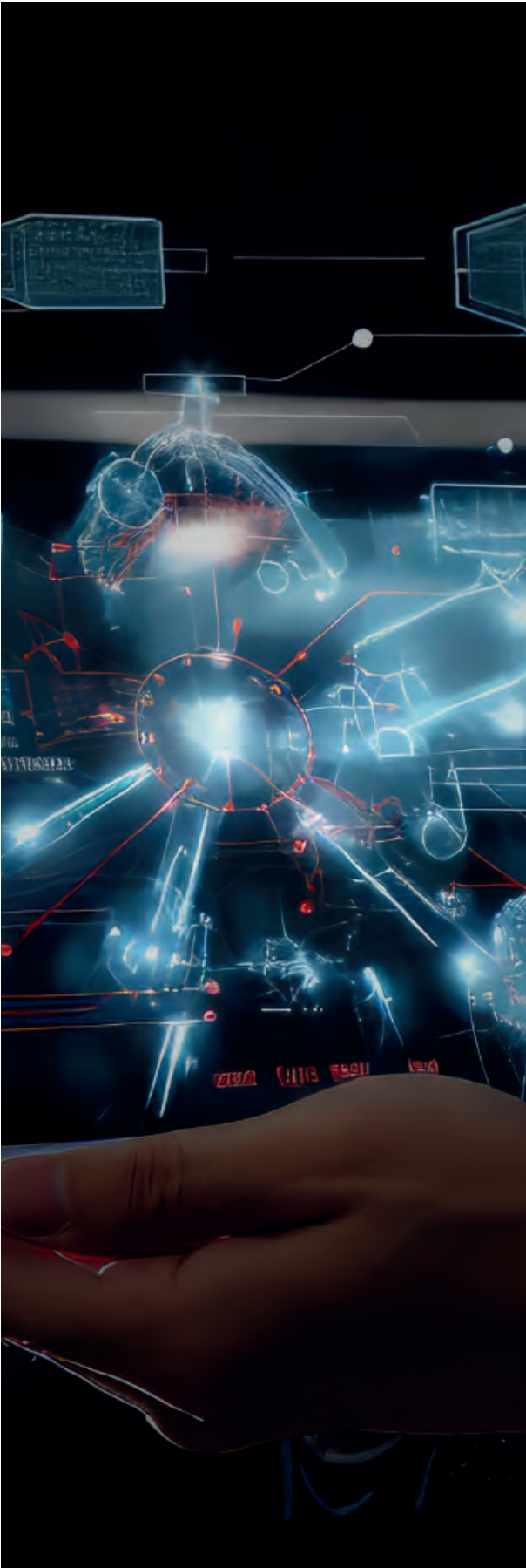
DevSecOps, CI/CD, release management, cloud security, and threat detection.

Full Stack

Frontend/ Backend Development | Full Stack Development | QA and Testing | Maintenance and Support

Intelligent Automation

RPA with: OCR | AI | Analytics | Integrating AI agents for Workflow automation | Microbots, WorkerBots | Digital Workers.



QUALITY & AUTOMATION ENGINEERING SOLUTIONS

Ensuring customer satisfaction with our Quality and Automation Engineering Solutions.

Quality and automation engineering are essential for businesses to automate operations and improve customer experience. MosChip offers QA automation and quality engineering solutions for software and embedded devices, ensuring high-quality products through testing, DevOps, test automation, and compliance with industry standards like MISRA C, AUTOSAR, and ISO 26262.

OFFERINGS

Device & Embedded Testing

Multimedia, Audio/Video Testing | Embedded System & Integration Testing | Test Tool Development | Network Interface Card Validation | Software Toolchain Testing

QA & Product Testing

Performance & Functional Testing | Sensor Integration & Interoperability | Peripherals & Connectivity Testing | Connected App/Edge Testing | Security and Penetration Testing.

DevOps & Test Automation

Continuous Integration | Deployment & Testing | Device to Cloud Test Automation | Test Automation Frameworks | Automation Scripts | QA Farms

ML Testing

Dataset validation, model benchmarking, parameter traceability, ML library testing, embedded neural network testing, CNN compiler validation.

Certification, Compliance & Consulting

ISO 26262 FuSa, ASPICE, AUTOSAR, MISRA-C, OpenVX compliance, tools assessment, feasibility analysis, test lab setup.



CONNECTIVITY & NETWORK ENGINEERING SOLUTIONS

Engineering networks for digital age with our Connectivity & Network Engineering Solutions.

New-age technologies are driving growth in networking and connectivity in businesses across major industries. As we move towards the era of digital transformation, network investments are becoming increasingly important in driving success. Businesses vastly rely on communication networks for data, enabling them to make data-driven decisions.

MosChip connectivity and network engineering solutions cater to wired and wireless networks involving expertise viz. network chipset/device design, application development, Software Defined Network (SDN), Network Function Virtualization (NFV), PMIPv6-based mobility, and network test automation. Understanding the challenges faced in the connectivity and networking domain, we help enterprises, network providers, and data centers in designing successful networking solutions that maximize performance and productivity.

OFFERINGS

Wired

Network Protocol & App Development | Network Stack & Performance Optimization | Network Test Automation | Network Module Integration | Software Defined Networking

Wireless

Wireless Solutions (Wi-Fi, BLE, RF) | Customer Premise Equipment | WLAN Drivers & Firmware | Wi-Fi Stack & Application | Wi-Fi Co-existence.



EMERGING AI INTELLIGENCE

The AI/ML Capabilities of MosChip®

Enabling Next-gen Embedded Applications with our AI Engineering & Machine Learning Solutions

Businesses have begun to contemplate fully autonomous intelligent systems that can interact and come up with the environment around them to stay ahead in the global market. As we begin to manage this present technological transition, industries are looking for trusted and experienced technology partners.

MosChip with its AI engineering and machine learning solutions assists businesses to design and develop intelligent solutions in the areas of computer vision, cognitive computing, deep learning, and ML lifecycle management. We own the capability to handle a complete Machine Learning (ML) pipeline involving dataset, model development, optimization, testing, and deployment on cloud and edge platforms (CPUs, GPUs, TPUs).

MosChip's team of AIML experts designs high-performing next-gen solutions for businesses allowing them to move away from traditional processes and come closer to more intelligent ones, ensuring data-driven decision-making, automated business operations, and increased productivity.



TOOLS & FRAMEWORKS



AI Engineering Solutions

Computer Vision

Machine & Computer Vision Algorithms | Object Detection, Identification & Visual Perception | Image Capture & Optimization | Vision Analytics & Processing | Optical Character Recognition.

Generative AI

Enhanced Customer Experience Navigation - Conversational assistants | Integration of Gen AI within products and business - For Process Optimization | Synthetic Data Generation using GenAI.

ML Lifecycle Management

MLOps - Automated ML Pipeline Deployment | Model Designing, Optimization, Testing & Porting | Inference Engines & Metrics | ML Transfer Learning Framework | Data Augmentation & Annotation.

Cognitive Computing

Deep Learning & Neural Networks | AI/ML on Edge & Cloud | ML Application Acceleration | Cross Platform Porting & Integration | Natural Language Processing (NLP)

AI & FPGA Acceleration Solutions

Object detection & classification | Semantic segmentation | Scene Detection & Text Analytics | Predictive Analytics | Audio Analytics & Key-phrase Detection | Face Recognition & Facial Expression Detection | Posture Detection | ML Reference Designs & POC.

Some of the Major Development Areas :

Development of Indigenous HPC Processor “Aum”

Design, development and delivery of an HPC SoC based on 5nm technology to the Centre for Development of Advanced Computing (CDAC).

The design and development of a High-Performance Computing (HPC) Processor System on a Chip (SoC), based on Arm® architecture and TSMC's advanced 5nm technology node, represents a significant leap forward in semiconductor technology and high-performance computing capabilities. This project aims to create a state-of-the-art semiconductor device that integrates multiple advanced components onto a single chip, thereby advancing the frontiers of computing technology.

Arm® Architecture: The choice of Arm® architecture for this HPC SoC is pivotal due to its reputation for flexibility and scalability. Arm® processors are known for their efficient performance and adaptability across a range of computing needs, from low-power mobile devices to high-performance servers. In the context of HPC, Arm® architecture provides a robust and scalable framework essential for handling the complex and demanding tasks typical of high-performance computing environments. Its design allows for high-performance parallel processing, which is crucial for applications involving extensive data processing and scientific simulations.

TSMC 5nm Technology Node: TSMC's 5nm technology node is a revolutionary advancement in semiconductor manufacturing, enabling a higher density of transistors on the chip, resulting in enhanced performance, computational power, and energy efficiency. This leads to faster processing speeds, better handling of large-scale simulations, and reduced power consumption, thereby reducing operational costs and managing heat in high-performance computing systems.

Integration of Components: The HPC SoC will combine high-speed CPU cores, high-speed interface IPs and high-bandwidth memory on a single chip, streamlining the computing architecture and improving system performance by reducing latency and improving data transfer speeds. This integration will enable efficient parallel processing, power for complex tasks, and rapid access to large datasets.

Market Impact and Opportunities: The HPC SoC is ideal for complex tasks like scientific simulations, artificial intelligence, and large-scale data processing. This will open significant opportunities in domestic and international markets.

Smart Energy Meter IC

A Smart Energy Meter IC is an advanced integrated circuit designed for precise and efficient measurement of energy consumption. It offers accurate data collection for various types of energy such as electricity, gas, or water. Equipped with real-time monitoring capabilities, it allows users to track their energy usage continuously, helping identify patterns and areas for potential savings. The IC also features built-in communication interfaces like Zigbee, Wi-Fi, or Bluetooth, enabling seamless data transfer to central systems or user devices for enhanced accessibility and analysis.

Additionally, a Smart Energy Meter IC often includes data storage functions to keep historical consumption records, facilitating detailed reporting and trend analysis. It supports load management to optimize energy use and integrates with smart grids for improved energy distribution. Security features such as encryption safeguard against tampering, while the IC's low power consumption contributes to overall energy efficiency. By integrating with smart home or building management systems, it provides a comprehensive solution for modern energy monitoring and management.

The Indian Ministry of Electronics and Information Technology (MeitY) has approved the Semiconductor Design Linked Incentive (DLI) scheme for the development of a smart energy meter IC for India and overseas markets. The DLI scheme aims to offset disabilities in the domestic semiconductor industry and strengthen the semiconductor chip design ecosystem. The Centre for Development of Advanced Computing (CDAC) is responsible for implementing the scheme as a Nodal Agency.

The Design Linked Incentive (DLI) Scheme aims to offer financial incentives as well as design infrastructure support across various stages of development and deployment of semiconductor design(s) for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design(s).

Smart energy meter IC market is expected grow at 7% CAGR reaching ~60 million units in India and ~2 billion units in Overseas Global Market by 2028.

DLI is an excellent policy initiative by the Government of India that helps Indian companies build IP cores, SoCs, and Systems and develop world-class semiconductor products for domestic and overseas markets to realize the vision of an Atmanirbhar Bharat in the semiconductor industry.

Other competitive strengths

- Member of TSMC's Design Center Alliance (DCA) enabling us to access cutting-edge technology that enhances our ability to offer turnkey ASIC solutions across the globe.
- MosChip Institute of Silicon Systems is a dedicated training and innovation centre aimed at fostering the technical skills and expertise necessary for the growth and advancement of MosChip. The institute focuses on enhancing skill sets related to silicon and software. These courses offer hands-on experience to bridge the industry-academia gap.
- Our leadership team possesses the required expertise to execute complex projects involving advanced technology nodes, showcasing strong engineering capabilities. With no leadership attrition in recent years, we have built a foundation of trust and stability. This continuity has strengthened our ability to deliver on strategic initiatives and maintain a competitive edge. The consistency in leadership has been a key factor in driving innovation and growth.
- With an average employee age of 28 years, MosChip mirrors the youthful demographic of India, aligning us with the nation's growth trajectory. This dynamic workforce brings energy, innovation, and adaptability, positioning us to contribute significantly to the evolving tech landscape. As we advance, our young talent pool will play a crucial role in shaping the future of the semiconductor industry. MosChip is well-poised to be an integral part of the Semiconductor and Software growth story.

Semi-conductor Industry:

External Environment

Global Economy

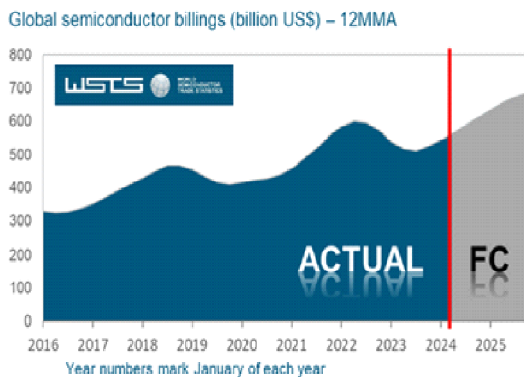
The World Semiconductor Trade Statistics (WSTS) has released its latest forecast for the global semiconductor market, anticipating robust growth in 2024 and 2025.

2024 Forecast: Strong Recovery Expected

WSTS has adjusted its Spring 2024 forecast upwards, projecting a 16.0 per cent growth in the global semiconductor market compared to the previous year. The updated market valuation for 2024 is estimated at US\$611 billion. This revision reflects stronger performance in the last two quarters, particularly in computing end-markets.

For 2024, mainly two Integrated Circuit categories are anticipated to drive the growth for the year with double digit increase, Logic with 10.7 percent and Memory with 76.8 percent. Conversely, other categories such as Discrete, Optoelectronics, Sensors, and Analog Semiconductors are expected to experience single-digit declines.

The Americas and Asia Pacific regions are projected to see significant growth, with increases of 25.1 percent and 17.5 percent, respectively. In contrast, Europe is expected to show marginal growth of 0.5 percent, while Japan is forecasted to see a slight decline of 1.1 percent.



2025 Outlook : Continued Solid Growth

WSTS forecasts a 12.5 percent growth in the global semiconductor market, reaching an estimated valuation of US\$687 billion. This growth is expected to be driven primarily by the Memory and Logic sectors, which are on track to soar to over US\$200 billion in 2025 each, representing an upward trend of over 25 percent for Memory and over 10 percent for Logic from the previous year. All other segments are anticipated to record single-digit growth rates.

In 2025, all regions are poised for continued expansion. The Americas and Asia Pacific are expected to maintain their double-digit growth on a year-over-year basis.

Spring 2024	Amounts in USD \$M			YoY Growth in %		
	2023	2024	2025	2023	2024	2025
Americas	134,377	168,062	192,941	-4.8%	25.1%	14.8%
Europe	55,763	56,038	60,901	3.5%	0.5%	8.7%
Japan	46,751	46,254	50,578	-2.9%	-1.1%	9.3%
Asia Pacific	289,994	340,877	382,961	-12.4%	17.5%	12.3%
Total World - \$M	526,885	611,231	687,381	8.2%	16.0%	12.5%
Discrete Semiconductors	35,530	32,773	35,310	4.5%	-7.8%	7.7%
Optoelectronics	43,184	42,736	44,232	-1.6%	-1.0%	3.5%
Sensors	19,730	18,265	19,414	-9.4%	-7.4%	6.3%
Integrated Circuits	428,442	517,457	588,425	-9.7%	20.8%	13.7%
Aalog	81,225	79,058	84,344	-8.7%	-2.7%	6.7%
Micro	76,340	77,590	81,611	-3.5%	1.6%	5.2%
Logic	178,589	197,656	218,189	1.1%	10.7%	10.4%
Memory	92,288	163,153	204,281	-28.9%	76.8%	25.2%
Total Products - \$M	526,886	611,231	687,381	-8.2%	16.0%	12.5%

Source : Recent News Release (wsts.org)

India Economy:

The semiconductor industry in India is expected to face a shortage of 250,000 to 300,000 professionals across various verticals, including research and development (R&D), manufacturing, design, and advanced packaging, by 2027, according to a report by Team Lease Degree Apprenticeship.

In a recent research report, it was noted that the semiconductor industry in India soared to US\$ 34.3 billion in 2023 and is forecasted to surge to US\$100.2 billion by 2032, demonstrating an impressive compound annual growth rate (CAGR) of 20.1% from 2023 to 2032.

The latest 2024 Union Budget substantially boosted funding for the semiconductor industry in India and the display manufacturing initiative, allocating a 130% increase to INR 690.3 million (US\$ 83.28 million). According to government finance documents, the revised estimated expenditure for the 'Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India' in FY24 stands at INR 150.3 million (US\$18.14 million).

Leveraging India's strengths in chip design, the newly approved units are poised to foster chip fabrication capabilities and bolster indigenous packaging technology advancements. This initiative is expected to spawn numerous employment opportunities, with the government projecting the direct creation of 20,000 high-tech positions and an additional 60,000 indirect jobs in the semiconductor industry.

Source: Semiconductor Industry in India: Opportunities for Telecom Growth (teamlease.com)

Human Resource Management

Talent management is a key element of the Company's strategic framework, ensuring a supportive work environment through competitive compensation and career development opportunities. On-the-job training and access to the latest technologies, facilitated by partnerships with Tier I semiconductor players globally, are central to employee advancement. Emphasizing diversity and inclusion, MosChip fosters a culture where employees feel valued, with

32% of the workforce being women. The average employee age is 28 years, aligning closely with India's median age of 28 years. The Company's attrition is lower than the industry average of 20%, highlights its strong employee retention and operational efficiency.

Employee Stock Options ("ESOPs") represent a reward system based on performance that helps companies attract, retain, and motivate top talent while providing an opportunity to employees to participate in the company's growth and create long-term wealth.

In line with this, the Company has implemented several ESOP plans. The Company's ESOP plans have been crucial in aligning employee efforts with organizational outcomes. The Plan has effectively incentivized senior management, high performers, and future talent, enhancing talent retention and fostering an ownership mindset and has been instrumental in attracting new hires, especially for leadership roles.

RISK MANAGEMENT

Risk Description	Risk Impact	Risk Mitigation
Geo-political Risks	The USA & China trade conflict has the potential to threaten internal security and defense. The risk of conflict in Taiwan poses a risk to semiconductors industry.	We will continue to evaluate the situations and take necessary steps to safeguard the interest of the Company
Recessions	The Company's operations may be adversely affected due to increased interest rates, inflation, increased energy and labor costs, supply chain delays, and geo-political instability	Monitoring and review by the management. Rigorous implementation of Business Continuity Plans. Regular communication with customers and vendors. Setting up rigorous and innovative talent acquisition plans to mitigate talent hiring challenges. Mandating appropriate health and safety norms and advisories.
Currency Risk	Exchange rate volatility could materially and adversely impact the results of operations.	Currently, The company generates a significant portion of its revenue in USD and makes cash payouts in INR. Despite the depreciation of the rupee, this arrangement has not adversely affected the company. The management regularly evaluates the hedging policy to minimizing the impact of exchange rate volatility.
Attrition Risk	Risk of losing talent across levels in the Organization	Focus on employee engagement initiatives. Actions around talent development, retention, and competitive compensation. Focus on acquiring next-generation talent.
Intellectual Property Risk	The risk of inadequate protection of the intellectual property rights of our customers can lead to reputational damage and litigation.	Robust data security protection and controls to prevent unauthorized access and/or transfer. Strict physical access controls for employees across customer centers and secure areas. Regular internal audits to comply with customer requirements of confidentiality and data protection.

Competition risks	In this highly competitive environment, there may be a severe impact on margins due to pricing pressures.	There is a focus on providing higher value and differentiated services and venturing into new business models.
Compliance risks	We are exposed to various laws and regulations.	The Company has an in-house compliance team that monitors compliance. The team receives updates on changes in regulations from specialist consultants and circulates the same internally.
Data privacy and Cybersecurity	In a connected world, businesses are highly vulnerable to cyberattacks, leading to loss of data and damage to reputation	The Company has a stringent cybersecurity policy that ensures the timely resolution of incidents. As a DCA (Design Center Alliance) member of TSMC, the company undergoes various security audits at regular intervals to meet client requirements.

Internal Control Systems and it's Adequacy

The Company has an Internal Financial Controls ('IFC') framework, commensurate with the size, scale, and complexity of the Company's operations. The Board of Directors of the Company is responsible for ensuring that IFC have been laid down by the Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013.

MosChip has appointed M/s Gokhale & Co as internal auditors for the financial year FY24. M/s Gokhale & Co has carried out the internal audit based on an internal audit plan, which is reviewed each year and approved by the Audit Committee. The internal audit process is designed to review the adequacy of internal control checks and covers all significant areas of the Company's operations.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report.

The Audit Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered, and the audit committee follows up on the implementation of corrective actions. The committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the board of directors informed of its key observations from time to time.

The statutory auditors have also independently audited the internal financial controls over financial reporting as of 31 March 2024. They have opined that adequate internal controls over financial reporting exist and that such controls were operating effectively.

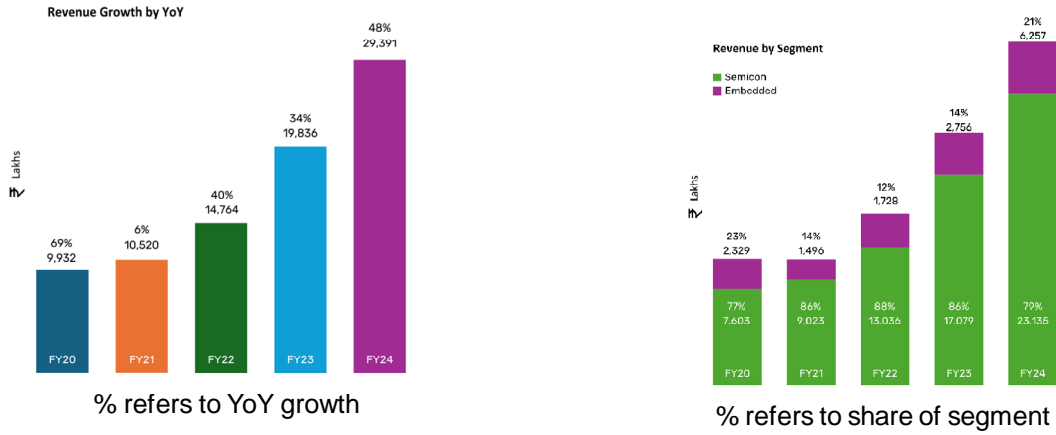
MosChip Group Financial Performance Review

Particulars	FY 24	% of Revenue	FY 23	% of Revenue	Growth YOY %
Income from Operations	29,391	100.0%	19,836	100.0%	48%
EBIDTA	3,621	12.3%	2,936	14.8%	23%
PAT	988	3.4%	618	3.1%	60%

The Income from operations increased to ₹ 29,391 lakhs in FY24 as compared to ₹ 19,836 lakhs in the previous year. This increase primarily attributable to increase in revenue from Semicon ₹ 6,056 lakhs and embedded by ₹ 3,500 lakhs.

Revenue Growth

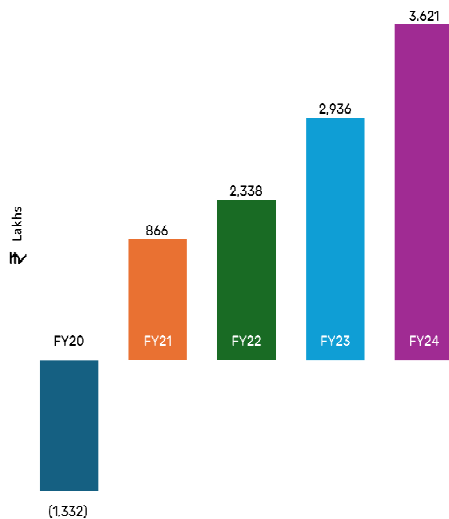
Over the last five years, the Company has sustained robust revenue growth momentum with CAGR of 31.2%.



Operating Profit

The Operating Profit (EBIDTA) increased to ₹ 3,621 lakhs in FY2023-24 as compared to ₹ 2,936 lakhs in the previous year. This increase primarily attributable to increase in income from operations by ₹ 9,555 lakhs, which is partially off set by increase in employee benefits by ₹ 5,168 lakhs and other expenditure by ₹ 4,387 lakhs.

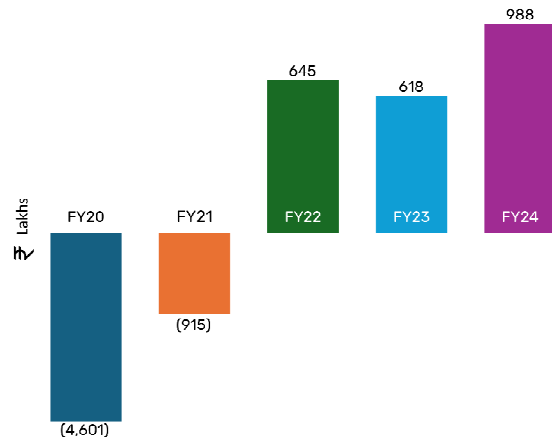
The Operating profit of the Company has grown at 47% CAGR in the last five years from ₹ (1,332) lakhs to ₹ 3,621 lakhs.



Profit After Tax

The PAT increased to ₹ 988 lakhs in FY2023-24 as compared to ₹ 618 lakhs in the previous year. This increase primarily attributable to increase in EBIDTA by ₹ 685 lakhs and finance cost by ₹ 170 lakhs, which is partially off set by increase in depreciation by ₹ 294 lakhs.

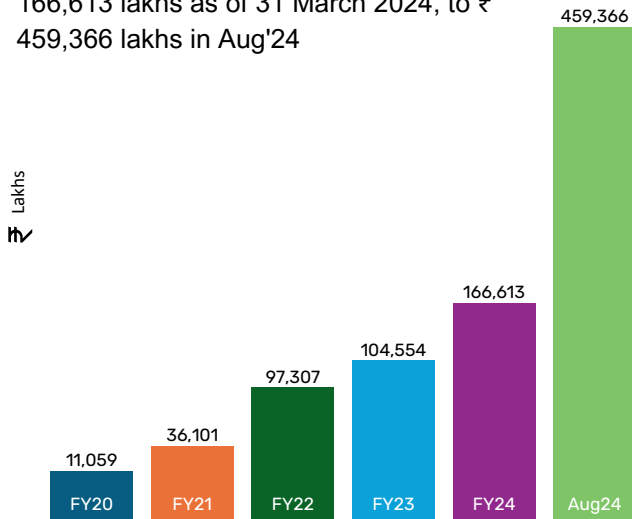
The Profit After Tax of the Company has grown at 22% CAGR in the last five years from ₹ (4,601) lakhs to ₹ 988 lakhs.



Market Capitalization

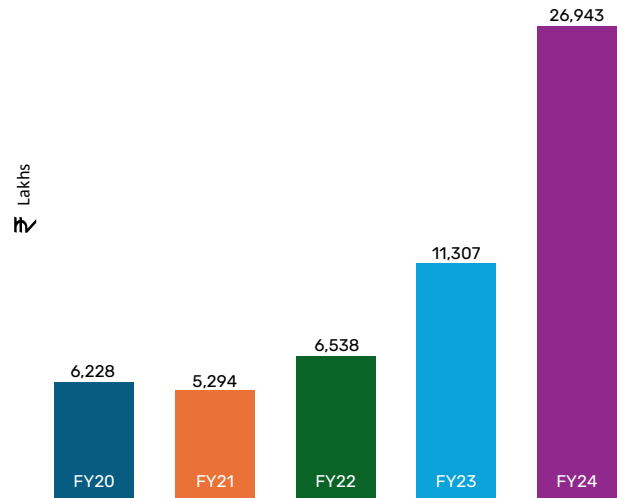
The Company's market capitalization has grown from ₹ 11,059 lakhs in FY20 to ₹ 459,366 lakhs in Aug'24.

Market capitalization has increased from ₹ 166,613 lakhs as of 31 March 2024, to ₹ 459,366 lakhs in Aug'24



Net worth

The net worth of the Company has grown at 44% CAGR in the last five years from ₹ 6,228 lakhs to ₹ 26,943 lakhs. It is mainly attributed to organic and inorganic initiatives and the profitable growth over the years.



Key financial ratios

Particulars	FY 24	FY 23
Current ratio; (no. of times)	1.71	1.81
Debt-Equity Ratio (no. of times)	0.26	0.64
Debt service coverage ratio; (no. of times)	1.02	1.02
Return on Equity (ROE)	5.17%	6.92%
Trade receivables turnover ratio	3.54	3.36
Trade payables turnover ratio	1.14	0.80
Net capital turnover ratio	5.33	4.42
Net profit ratio	3.36%	3.11%
Return on capital employed (ROCE)	22.65%	30.47%

1. Decrease in Debt- Equity ratio is due to issue of equity shares on preferential basis
2. Decrease in ROE is on account of issue of equity shares on preferential basis.
3. Increase on trade payable turnover ratio is on account of increase in operations compared to previous year

Statutory Compliance

The Company has in place adequate systems and processes to ensure that it is in compliance with all the applicable laws. The Company Secretary & Compliance Officer (Corporate & Others) is responsible for implementing the systems and processes for monitoring compliance with the applicable laws and for ensuring that the systems and processes are operating effectively. The Chief Executive Officer and Managing Director, places before the Board, at each meeting, a certificate of compliance with the applicable laws. The Company Secretary & Compliance Officer (Corporate & Others) also confirms compliance with Company law, SEBI Regulations and other corporate laws applicable to the Company.

For and on behalf of the Board of Directors

K. Pradeep Chandra
Director and Chairman
DIN: 05345536

Place: Hyderabad
Date: 05th September 2024

Annexure 'B' to the Directors' Report

Form AOC-1

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

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

Part "A": Subsidiaries

(Rs. in Lakhs)

Sl.No	Particulars	Name of the Subsidiary				
		MosChip Technologies, USA	MosChip Institute of Silicon Systems Private Limited	MosChip Technologies W. L.L	Softnautics Inc*	Softnautics LLP *
01	The date since when subsidiary was acquired	07 th May, 2021	23 rd July, 2018	15 th September, 2022	07 th June, 2023	07 th June, 2023
02	Reporting period	31 March 2024	31 March 2024	31 March 2024	31 March 2024	31 March 2024
03	Exchange Rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	83.34	NA	216.55	83.34	NA
04	Equity Share Capital	1,397.62	1.00	2.15	1.12	1.00
05	Reserves & Surplus	(270.06)	(325.86)	(1.79)	40.22	485.91
06	Total Assets	4,781.84	485.93	0.36	1,588.03	1,424.03
07	Total Liabilities (excluding Equity Share Capital and Reserves & Surplus)	3,654.28	810.75	-	1,546.69	937.12
08	Investments	-	-	-	1.33	-
09	Turnover (Total Revenue)	12,347.64	367.93	-	3,648.47	2,817.49
10	Profit / (Loss) Before Taxation	623.80	(151.42)	(0.14)	126.84	241.72
11	Tax Expenses	6.37	-	-	50.04	87.79
12	Profit / (Loss) After Taxation	617.43	(151.42)	(0.14)	76.79	153.92
13	Proposed Dividend	-	-	-	-	-
14	% of Shareholding	100%	100%	100%	100%	100% *

* Softnautics LLP is the wholly owned subsidiary of Softnautics Inc and Step down subsidiary of MosChip Technologies Limited.

Names of Subsidiaries which are yet to commence operations: **MosChip Technologies W. L. L.**

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

Part "B": Associates and Joint Ventures

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

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

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

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

For and on behalf of the Board of Directors

K. Pradeep Chandra
Director and Chairman
DIN: 05345536

Place: Hyderabad
Date: 05th September, 2024

Annexure 'C' to the Directors' Report

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

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

S. No	Name	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2023-2024
1	Mr. Srinivasa Rao Kakumanu ²	MD & CEO	11.50	NA
2	Mr. Venkata Sudhakar Simhadri ²	MD & CEO	30.85	NA
3	Mr. K. Ramachandra Reddy ¹	Non-Executive Director	NA	NA
4	Mr. D. G. Prasad	Independent Director	NA	NA
5	Mrs. Madhurika Nalluri Venkat	Independent Director	NA	NA
6	Mr. Damodar Rao Gummadapu	Non-Executive Director	NA	NA
7	Mr. K. Pradeep Chandra	Independent Director	NA	NA
8	Mr. Rajeev Krishnamoorthy ³	Independent Director	NA	NA
9	Mr. G. V. Pranav Reddy ⁴	Non-Executive Director	NA	NA
10	Mr. Vinayendra Parvathaneni ⁴	Non-Executive Director	NA	NA
11	Mr. Jayaram Susarla	Chief Financial Officer	13.77	29.7%
12	Mr. Suresh Bachalakura	Company Secretary	4.33	29.8%

- a) The remuneration of Directors does not include Sitting Fee, Gratuity and retirement benefits.
- b) The remuneration of KMP does not include perquisite from ESOP.
- b) Independent Directors are paid only sitting fee which is not included in Remuneration.
 1. Mr. K. Rama Chandra Reddy ceased to be a Director w.e.f. 24th May, 2023.
 2. Mr. Venkata Sudhakar Simhadri ceased to be a MD & CEO w.e.f. 25th October 2023 and Mr. Srinivasa Rao Kakumanu appointed as MD & CEO w.e.f. 26th October, 2023. Percentage increase in remuneration is not comparable to Mr. Srinivasa Rao Kakumanu, since previous year figures are not available.
 3. Mr. Rajeev Krishnamoorthy ceased to be a Director w.e.f. 29th January, 2024.
 4. Mr. G. V. Pranav Reddy and Mr. Vinayendra Parvathaneni appointed as Directors w.e.f. 04th November, 2023.

(II) The percentage increase in the Median Remuneration of the Employees of the Company for the Financial Year 2023-24 & The number of permanent employees on the rolls of the Company:

The Median Remuneration of the Employees was Rs 7,50,000 and Rs 8,00,000 in the Financial Year 2023-24 & 2022-23 respectively. Employee head count increased to 1,107 from 926 as on 31 March 2024 compared to 31 March 2023.

(III) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2023-24 with the percentage increase in the managerial remuneration:

The average increase in the remuneration of employees excluding KMPs during FY 2023-24 was 18.76% and the average increase in the remuneration of Key Managerial Personnel 17.92%

** The average increase in remuneration of employees is calculated based on net employee benefit expenses disclosed in P&L statement.

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

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

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

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

For and on behalf of the Board of Directors

**K. Pradeep Chandra
Director and Chairman
DIN: 05345536**

**Place: Hyderabad
Date: 05th September, 2024**

Annexure 'D' to the Directors report

Disclosure of Employee Stock options pursuant to Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 201 and Regulation 14 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021

- a) The Employee Option Plans are designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.
- b) The Company has seven schemes under Employee Stock Option Plans in operation during the year as mentioned in below table:

S. No	Name of ESOP Scheme	No. of ESOP's	Date of shareholders approval
01	MosChip Stock Option Plan 2005 (MI)	5,00,000	30 th September, 2005
02	MosChip Stock Option Plan 2005 (WoS)	5,00,000	30 th September, 2005
03	MosChip Stock Option Plan 2008	30,00,000	29 th August, 2008
04	MosChip Stock Option Plan 2008 (ALR)	10,00,000	29 th August, 2008
05	MosChip Stock Option Plan 2008 (DIR)	10,00,000	29 th August, 2008
06	MosChip Stock Option Plan 2018	1,00,00,000	17 th January, 2019
07	MosChip Stock Option Plan 2022	1,00,00,000	27 th June, 2022

- c) Each option granted to eligible employees shall entitle such employees to one equity share of the nominal value of Rs. 2/- each at a price to be determined by the Board of Directors or Nomination & Remuneration Committee or the market price. However, subject to the regulations or guidelines of the SEBI in regard to the pricing of the Options, as applicable from time to time. The equity shares issued upon exercise of the Options shall rank pari passu in all respects with the existing equity shares.
- d) Each option shall be vested after a minimum period of 12 months from the date of grant of the Option or at such times as may be determined by the Board or Nomination & Remuneration Committee from time to time.
- e) The Options shall be valid and exercisable for such periods as may be determined by the Board or Nomination & Remuneration Committee, from time to time. Options not exercised within the specified period will lapse. All options that are lapsed will be added back to the pool and are eligible for future grants to the employees.
- f) Out of above plans the Company has granted options during the year ended 31 March 2024 in Moschip Stock Option Plan 2022.

Particulars	MosChip Stock Option Plan 2008	Moschip Stock Option Plan 2005 (MI)	Moschip Stock Option Plan 2005 (WOS)	Moschip Stock Option Plan 2008 (ALR)	Moschip Stock Option Plan 2008 (Director)	MosChip Stock Option Plan 2018	MosChip Stock Option Plan 2022
Options outstanding at the beginning of the year	8,49,467	99,953	3,05,570	3,68,461	10,00,000	74,05,177	64,21,672
Granted during the year	-	-	-	-	-	-	28,13,700
Forfeited during the year	39,250	-	-	3,000	-	3,31,813	6,09,092
Exercised during the year	3,40,953	99,953	42,500	1,05,335	10,00,000	28,47,021	4,10,650
Options outstanding at the end of the year	4,69,264	-	2,63,070	2,60,126	-	42,26,343	82,15,630

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

31 March, 2024			
Grant date	Vesting Period	Exercise price	Share options outstanding
26-Oct-18	4 Years	18.00	74,500
20-Jul-20	3 Years	16.00	8,96,388
25-Jan-21	4 Years	16.00	2,00,000
27-Apr-21	4 Years	18.00	75,000
20-Jul-21	4 Years	24.00	9,85,375
20-Oct-21	4 Years	31.28	82,750
17-Jan-22	4 Years	40.00	10,80,000
28-Apr-22	4 Years	40.00	2,11,050
14-Jul-22	4 Years	40.00	3,78,290
25-Oct-22	4 Years	40.00	61,14,940
25-Jan-23	4 Years	40.00	5,23,062
25-May-23	4 Years	50.00	3,46,200
17-Jul-23	4 Years	50.00	30,000
04-Nov-23	4 Years	50.00	23,83,000

h) Variation of terms of options

Not applicable

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

The model inputs for options granted during the year ended 31 March 2024 included:

Grant date	Vesting period	Expiry Date	Excise Price	Share Price at Grant date	Expected price volatility of the company's shares	Expected dividend yield	Risk free interest rate
26-Oct-18	4 Years	25-Oct-25	18.00	23.50	53%	-	8.04%
20-Jul-20	3 Years	19-Jul-26	16.00	14.80	55%	-	4.55%
25-Jan-21	4 Years	24-Jan-28	16.00	15.00	61%	-	4.58%
27-Apr-21	4 Years	26-Apr-28	18.00	30.85	60%	-	4.58%
20-Jul-21	4 Years	19-Jul-28	24.00	44.96	68%	-	4.58%
20-Oct-21	4 Years	19-Oct-28	31.28	47.55	66%	-	4.58%
17-Jan-22	4 Years	16-Jan-29	40.00	81.05	68%	-	5.21%
28-Apr-22	4 Years	27-Apr-29	40.00	62.60	66%	-	5.31%
14-Jul-22	4 Years	13-Jul-29	40.00	54.35	67%	-	5.37%
25-Oct-22	4 Years	24-Oct-29	40.00	67.50	58%	-	7.13%
25-Jan-23	4 Years	24-Jan-30	40.00	66.33	55%	-	7.06%
25-May-23	4 Years	24-May-30	50.00	61.04	51%	-	7.00%
17-Jul-23	4 Years	16-Jul-30	50.00	106.44	53%	-	7.00%
04-Nov-23	4 Years	03-Nov-30	50.00	84.31	50%	-	7.23%

j) Exercise of Options during the year:

Number of options exercised during the year	48,46,412
Number of shares arising as a result of exercise of options	48,46,412
Money realized by exercise of options (INR)	₹ 9,82,62,988

k) Employee wise details of options granted to

a) Senior Management Personnel and KMP

S. No.	Name of the Senior Managerial Personnel & KMP	Designation	No. of ESOPs granted during FY 2024
01	Mr. Srinivasa Rao Kakumanu	MD & CEO	5,00,000
02	Mr. Vishal Patil	SVP - Product Engineering BU	4,00,000
03	Mr. Sribash Dey	SVP - North America & Europe Sales	3,50,000
04	Mr. Jayaram Susarla	CFO	2,50,000
05	Mr. DVR Murthy	SVP - Strategic Programs	2,00,000
06	Mr. AJN Rao	SVP - Software & Systems BU	1,00,000
07	Mr. Giri Babu Kondaveeti	SVP - IT & Security	1,00,000

b) Employees who received grant of options amounting to 5% or more of options granted during FY 2024:

S. No.	Name of the Employee	Designation	No. of ESOPs
01	Mr. Srinivasa Rao Kakumanu	MD & CEO	5,00,000
02	Mr. Vishal Patil	SVP - Product Engineering BU	4,00,000
03	Mr. Sribash Dey	SVP - North America & Europe Sales	3,50,000
04	Mr. Jayaram Susarla	CFO	2,50,000
05	Mr. DVR Murthy	SVP - Strategic Programs	2,00,000

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

The Board of Directors hereby confirms that there are no material change(s) in any of the seven schemes under Employee Stock Option Plans in operation during the year and all the scheme(s) are in compliance with SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. The disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 has been uploaded on the website of the Company at www.moschip.com.

For and on behalf of the Board of Directors

K. Pradeep Chandra
Director and Chairman
DIN: 05345536

Place: Hyderabad

Date: 05th September, 2024

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended on March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MosChip Technologies Limited** (hereinafter called “the Company”), having CIN: L31909TG1999PLC032184. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

- (vi) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
- (a) The Information Technology Act, 2000 and the rules made thereunder;
 - (b) The Special Economic Zones Act, 2005 and the rules made thereunder;
 - (c) Software Technology Parks of India rules and regulations;
 - (d) The Indian Copy Right Act, 1957;
 - (e) The Patents Act, 1970; and
 - (f) The Trade Marks Act, 1999.

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

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

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

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

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

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

We further report that adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, and a system exists for seeking and obtaining further information and clarifications as may be required by them on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, no specific events/actions which have a major bearing on the Company's affairs have taken place, in pursuance of the above referred laws, rules, regulations and standards except for the following:

The Company has allotted (i) 48,46,412 Equity Shares pursuant to exercise of the Option granted to the employees; (ii) 1,14,52,498 Equity Shares (Swap Shares) on a preferential basis for acquisition of 100% stake in Softnautics Inc.; and (iii) 52,70,100 Equity Shares on a preferential basis for cash.

**For B S S & Associates
Company Secretaries**

Place: Hyderabad
Date: 21.05.2024

**S.Srikanth
Partner
CS No.: 22119
C.P. No.: 7999
UDIN: A022119F000415204
Peer Review No: 726/2020**

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

Annexure-A

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

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

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

**For B S S & Associates
Company Secretaries**

Place: Hyderabad
Date: 21.05.2024

**S.Srikanth
Partner
CS No.: 22119
C.P. No.: 7999
UDIN: A022119F000415204
Peer Review No: 726/2020**

**Annual Secretarial Compliance Report of MosChip Technologies Limited
for the year ended March 31, 2024**

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

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

- (a) all the documents and records made available to us and explanation provided by MosChip Technologies Limited (“the listed entity”),
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification.

For the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars / guidelines issued thereunder;

We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
<p><u>Secretarial Standard:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p>	Yes	Nil
<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI 	Yes	Nil
<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	Nil
<p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	Nil
<p>To examine details related to Subsidiaries of listed entities:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	Yes	Nil
<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015</p>	Yes	Nil
<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	Yes	Nil
<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.</p>	Yes	Nil

<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	Nil
<u>Additional Non-compliances, if any:</u> Any additional non-compliance observed for all SEBI regulation /circular/guidance note etc.	Yes	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
1. Compliances with the following conditions while appointing/re-appointing an auditor			
	a. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	NA
	b. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	NA
	c. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	NA
2. Other conditions relating to resignation of statutory auditor			
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately	NA	NA

	without specifically waiting for the quarterly Audit Committee meetings.		
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	NA
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	NA
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	NA
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	NA

*No resignation of Statutory Auditor during the Review Period.

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

(a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below:-

Sl. No	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Re-remarks
Nil										

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

Sl. No	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	The disclosure w.r.t. resignation of an independent director shall include names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.	Regulation 30 read with Clause (7B) of Para A of Part A of Schedule III of SEBI LODR Regulations.	The disclosure made w.r.t. resignation of independent director did not include names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees.	BSE	BSE has given a communication in mail to ensure compliance.	The disclosure made w.r.t. resignation of independent director did not include names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees.	Nil	The Company has resubmitted the disclosure with all the information as required under Regulation 30 read with Clause (7B) of Para A of Part A of Schedule III of SEBI LODR Regulations	The Company has taken note of the same and assured to strict compliance in future.	-

**For B S S & Associates
Company Secretaries**

Place: Hyderabad
Date: 21.05.2024

**S.Srikanth
Partner
CS No.: 22119
C.P. No.: 7999
UDIN: A022119F000415204
Peer Review No: 726/2020**

Annexure 'F' to the Directors' Report

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

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

1. Conservation of Energy

i. Steps taken or impact on conservation of energy

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

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

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

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

iii. Capital investment on energy conservation equipments

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

2. Technology Absorption

Efforts made towards technology absorption

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

Information regarding imported technology (Imported during last three years)

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

Research & Development (R&D)

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

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

Future plan of action

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

Expenditure on R&D

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

3. Foreign Exchange Earnings and Outgo

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

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

- (b) Foreign exchange earnings and outgo

(Rs. in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Foreign Exchange earnings	8,032.49	5,951.10
Foreign Exchange outgo	9,005.61*	324.11

* Includes consideration of ₹ 6,127 lakhs paid for acquisition of Softnautics Inc.

For and on behalf of the Board of Directors

K. Pradeep Chandra
Director and Chairman
DIN: 05345536

Place: Hyderabad

Date: 05th September, 2024

Annexure 'G' to the Directors' Report

FORM AOC-2

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

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

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

MosChip Technologies Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2023-24.

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

There were no material contracts or arrangements or transactions with related parties during the financial year 2023-24.

Appropriate approvals have been taken for all related party transactions.

For and on behalf of the Board of Directors

K. Pradeep Chandra
Director and Chairman
DIN: 05345536

Place: Hyderabad

Date: 05th September, 2024

Annexure 'H' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

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

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

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

Board of Directors

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

Composition of the Board

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of Science & Technology, Engineering, Banking & Finance, Strategy and Planning, Laws & Policies, general management and entrepreneurship. As on March 31, 2024, the Board comprises of 08 members comprising of One Executive Director, Four Non-Executive Non-Independent Directors and Three Independent Directors, out of which one is a Women Independent Director and Chairman of the Board is an Independent Director.

Board Skill Matrix

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

Key Board Qualifications & Expertise						
Name of the Director	Qualification	Technology	Banking & Finance	Strategy & Planning	Laws & Policies	General Management & Entrepreneurship skills
Areas of expertise						
Mr. K. Pradeep Chandra	BTech, MBA, PhD	-	✓	✓	✓	✓
Mr. Srinivasa Rao Kakumanu	BE	✓	-	✓	-	✓
Mr. D. G. Prasad	CA	-	✓	✓	✓	✓
Mr. Damodar Rao G	CA	✓	✓	✓	✓	✓
Mrs. Madhurika Nalluri Venkat	BL	✓	-	✓	✓	✓
Mr. Naveed Ahmed Sherwani	MS, PhD	✓	-	✓	-	✓
Mr. G. V. Pranav Reddy	Bachelors in Finance and Business Management	-	-	✓	✓	✓
Mr. Vinayendra Parvathaneni	MS in Global Management and BSc (Hons) in Management	-	-	✓	✓	✓

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

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

The Composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2024 are as under:

Name of the Director	Category	No. of outside Directorship(s) held Public*	No. of other Board Committees** (of Companies)		No. of Equity shares held
			As a Member	As a Chairman / Chairperson	
Mr. Srinivasa Rao Kakumanu	Executive Director	00	00	00	18,52,370
Mr. K. Pradeep Chandra	Independent, Non-Executive Director, Chairman	01	02	00	-
Mr. Damodar Rao Gummadapu	Promoter Non-Executive Director	00	00	00	2,04,000
Mr. D. G. Prasad	Independent, Non-Executive Director	02	02	01	-
Mrs. Madhurika Nalluri Venkat	Independent Director, Non-Executive Director	01	02	00	-
Mr. Naveed Ahmed Sherwani	Non-Executive Director	00	00	00	17,70,744
Mr. G. V. Pranav Reddy	Non-Executive Director	01	00	00	-
Mr. Vinayendra Parvathaneni	Non-Executive Director	00	00	00	16,500

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

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

Number of Shares and Convertible Instruments held by the Non-Executive Directors:

There are no outstanding Convertible Instruments that were allotted to the Non-Executive Directors.

The total number of Equity Shares held by the Non-Executive Directors of the Company as on 31st March, 2024 as Detailed in above table.

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

Name of the Director	Directorship on other listed entities	Category of Directorship
Mr. Srinivasa Rao Kakumanu	Nil	Not Applicable
Mr. K.Pradeep Chandra	Orient Electric Limited	Independent, Non-Executive Director
Mr. Damodar Rao Gummadapu	Nil	Not Applicable
Mr. D G Prasad	Gokak Textiles Limited	Independent, Non-Executive Director
	Natco Pharma Limited	Independent, Non-Executive Director
Mrs. Madhurika Nalluri Venkat	Lakshmi Finance & Industrial Corporation Limited	Independent, Non-Executive Director
Mr. Naveed Ahmed Sherwani	Nil	Not Applicable
Mr. G. V. Pranav Reddy	Nil	Not Applicable
Mr. Vinayendra Parvathaneni	Nil	Not Applicable

None of the Directors are related to each other.

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

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

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

opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

The draft minutes of each Board/Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, received if any, from the Directors, records the minutes of each Board/Committee meeting within 30 days from conclusion of the meeting. During the Financial Year 2023-2024, the Board met 09 (nine) times.

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

Name of the Director	Number of Board Meetings held during their tenure in the year 2023-24	Number of Board Meetings attended during the year 2023-24	Whether attended last AGM held on 15.09.2023
Mr. K. Ramachandra Reddy ¹	Nil	Nil	NA
Mr. K. Pradeep Chandra	09	09	Yes
Mr. Venkata Sudhakar Simhadri ²	04	04	Yes
Mr. Srinivasa Rao Kakumanu ³	05	05	NA
Mr. D. G. Prasad	09	09	Yes
Mr. Damodar Rao Gummadapu	09	04	Yes
Mrs. Madhurika Nalluri Venkat	09	09	Yes
Mr. Rajeev Krishnamoorthy ⁴	08	08	Yes
Mr. G. V. Pranav Reddy ⁵	04	03	NA
Mr. Vinayendra Parvathaneni ⁵	04	04	NA

1. Mr. K Ramachandra Reddy ceased to be existed as Director w.e.f. 01st May, 2023
2. Mr. Venkata Sudhakar Simhadri ceased to be existed as MD & CEO w.e.f. 25th October, 2023.
3. Mr. Srinivasa Rao Kakumanu appointed as MD & CEO w.e.f. 26th October, 2023.
4. Mr. Rajeev Krishnamoorthy ceased be existed as Director w.e.f. 29th January, 2024.
5. Mr. G. V. Pranav Reddy and Mr. Vinayendra Parvathaneni are appointed as Directors w.e.f. 04th November, 2023.

No. of Board Meetings held and dates on which they were held during 2023-24.

Quarter	No. of Meetings	Dates on which held
April- June	01	24 th May, 2023
July – September	03	17 th July, 2023, 21 st August, 2023 and 12 th September, 2023
October – December	03	26 th October, 2023, 04 th November 2023 and 25 th November, 2023.
January – March	02	17 th January, 2024 and 27 February, 2024
Total	09	

Induction and Familiarization program for Board Members

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

business environment, regulatory framework, operations review, risk management and other related matters.

The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at <https://moschip.com/wp-content/uploads/2023/02/Familirazation-Programme-for-Non-Executive-Directors.pdf>.

Meeting of Independent Directors

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

Performance Evaluation of Board

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

Service Contracts, Notice Period, Severance Fee

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

Code of Conduct

The Company has a Code of Conduct applicable to all Board Members and Senior Management for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff has declared their compliance with the Code of Conduct as at 31st March, 2024. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

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

Reason for resignation of Independent Director

Mr. Rajeev Krishnamoorthy, Independent Director of the company resigned from the Board w.e.f. 29.01.2024. In the resignation letter, he stated that the resignation was consequent to certain urgent personal pressing engagements and there were no material reasons for his resignation other than those provided.

Senior Management

Particulars of Senior Management including the changes therein since the close of the previous financial year:

Name	Designation	Date of joining / Date of redesignation or resignation (if any)	Department
Mr. Srinivasa Rao Kakumanu ¹	EVP	01-Dec-10	Semicon
Mr. AJN Rao	SVP	22-May-17	Embedded
Mr. Suresh Varma	SVP	05-Oct-17	Training
Mr. Giri Kondaveeti	SVP	01-Dec-10	IT & Security
Mr. D. V. R. Murthy ²	SVP	01-Jul-23	Strategic Programs

1. Mr. Srinivasa Rao Kakumanu was appointed as MD & CEO w.e.f. 26th October, 2023.

2. Mr. D.V.R. Murthy promoted as SVP w.e.f. 1st July, 2023.

2. COMMITTEES OF THE BOARD

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

1) Audit Committee

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

Powers of Audit Committee

The powers of Audit Committee include the following:

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

Terms of reference of Audit Committee.

The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
- ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made to the financial statements arising out of audit findings.

5. Compliance with listing and other legal requirements relating to financial statements.
6. Disclosure of any related party transactions.
7. Qualifications in the draft audit report, if any
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing;
- xxi. Consider and comment on rationale, cost/benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Mandatory review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI Listing Regulations. The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to review the report of the Compliance Officer with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively. The Audit Committee reviewed the reports of the internal auditors including the external internal Auditors, the reports of the statutory auditors arising out of the quarterly, halfyearly, and annual audit of the accounts; considered significant financial issues affecting the Company and held discussions with the internal and statutory auditors and the Company Management during the year.

Related Party Transactions

As a part of the mandate under the SEBI Listing Regulations and the terms of reference, the Audit Committee undertakes quarterly review of related party transactions entered into by the Company with its related parties. Pursuant to Regulation 23 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 read with rules made thereunder, the Audit Committee has granted omnibus approval in respect of transactions which are repetitive in nature, which may or may not be foreseen, not exceeding the limits specified thereunder. The transactions under the purview of omnibus approval are reviewed on quarterly basis by the Audit Committee. Pursuant to Regulation 23 of the Listing Regulations, only the Independent Directors of the Committee participate and vote in respect of Related Party Transactions.

Composition, name of members and Chairperson

The composition of the Audit Committee and the attendance of the members at the meetings held during the Financial Year 2023-24 are as under:

The Audit Committee comprises of the following directors

1. Mr. D. G. Prasad — Chairman
2. Mr. K. Pradeep Chandra — Member
3. Mr. Naveed Ahmed Sherwani — Member
4. Mrs. Madhurika Nalluri Venkat — Member

Meetings and attendance during the year 2023-24

Name of the Director	Category	No of Meetings held during their tenure in the year 2023-24	No of Meetings attended
Mr. K. Pradeep Chandra	Independent Director	04	04
Mr. D. G. Prasad	Independent Director	04	04
Mrs. Madhurika Nalluri Venkat	Independent Director	04	04
Mr. Naveed Ahmed Sherwani ¹	Non-executive Director	02	02
Mr. Damodar Rao Gummadapu ¹	Non-executive Director	01	00

1. Mr. Naveed Ahmed Sherwani appointed as Committee member w.e.f. 17th July, 2023 and Mr. Damodar Rao Gummadapu ceased to be a Committee member w.e.f. 17th July, 2023.

Four Meetings were held during the Financial Year 2023-2024 on (i) 24th May, 2023 (ii) 17th July, 2023 (iii) 04th November, 2023 and (iv) 17th January, 2024.

The Company Secretary acts as a Secretary to the Committee.

The following were invited to Audit Committee Meetings:

- a) the Statutory Auditors.
- b) the Internal Auditors, as and when necessary.
- c) Mr. Srinivasa Rao Kakumanu, MD & CEO of the Company.
- d) Mr. Jayaram Susarla, Chief Financial Officer.
- e) Other Directors of the Company as and when required.

The Majority of the Audit Committee members are Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting ("AGM") held on 15th September, 2023.

2. Nomination and Remuneration Committee

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

Terms of reference

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- II. Formulation of criteria for evaluation of Independent Directors and the Board;
- III. Devising a policy on Board diversity;
- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- V. Board composition and succession planning, evaluation of every Director; To recommend remuneration policy for the directors, KMP, executives and other employees of the Company;
- VI. To oversee familiarization programme for Directors, review of HR strategy, philosophy and practices and any other activities related to change as requested by the Board from time to time;
- VII. Oversee the implementation of the share-based employee benefits scheme by whatever name called as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, within the terms and conditions of the said Plan(s); and perform the function of overall superintendence of the scheme(s);
- VIII. To review the Company's share-based incentive-based plans and recommend changes as necessary, oversee administration of these plans, grant incentives to eligible employees, in consultation with management, and allot shares when options are exercised;
- IX. Any other matter as deemed necessary or incidental for the purpose of administration of the share based incentive Scheme.

Composition, Meetings and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2024, Committee comprises of Four Directors, three Independent Directors and one Non-executive Director. The Company Secretary acts as secretary to the Committee.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings held during the Financial Year 2023-24 are as under:

The Nomination & Remuneration Committee comprises of the following directors

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

Meetings and attendance during the year 2023-24

Name of the Director	Category	No of Meetings held during their tenure in the year 2023-24	No of Meetings attended
Mrs. Madhurika Nalluri Venkat ¹	Independent Director	03	03
Mr. K. Pradeep Chandra	Independent Director	06	06
Mr. D. G. Prasad	Independent Director	06	06
Mr. Damodar Rao Gummadapu ²	Non-executive Director	05	04
Mr. Rajeev Krishnamoorthy ³	Independent Director	03	03

1. Mrs. Madhurika Nalluri Venkat has ceased to be member of the Committee w.e.f. 17th July, 2023 and has been appointed as member and Chairperson w.e.f. 06th February, 2024.
2. Mr. Damodar Rao Gummadapu appointed as member of the committee w.e.f. 17th July, 2023.
3. Mr. Rajeev Krishnamoorthy appointed as member and Chairman w.e.f. 17th July, 2023 and was ceased to be member of the Committee w.e.f. 29th January, 2024.

During the Financial Year 2023-24, Six meetings of the Nomination and Remuneration Committee were held on (i) 24th May, 2023 (ii) 17th July, 2023 (iii) 12th September, 2023 (iv) 26th October, 2023 (v) 04th November, 2023 and (vi) 27th February, 2024.

The Company Secretary acts as a Secretary to the Committee

The Nomination and Remuneration Policy:

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

Performance Evaluation Criteria for Independent Directors:

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

Remuneration of Directors:

(i) Remuneration to the Executive Director

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

(ii) Remuneration to Non-Executive/ Independent Directors

Besides, sitting fee for attending Board and Committee meetings, no special compensation to Non-Executive directors are envisaged during the year 2023-24.

(iii) Criteria for making payments to Non-Executive Directors

The criteria for making payments to Non-Executive Directors is available on the website of the Company at <https://moschip.com/wp-content/uploads/2023/02/Criteria-for-making-payment-to-Non-Executive-Directors.pdf>.

Details of remuneration to all the directors :

Sl. No.	Name	Designation	Salary In Rs.	Performance Incentives in Rs.	Commission in Rs.	Total In Rs.	Notice period Severance Fee in Rs.	Stock Option Details if any	Sitting Fee in Rs.
01	Mr. Venkata Sudhakar Simhadri ¹	Managing Director	2,31,33,986	Nil	Nil	2,31,33,986	Nil	Nil	Nil
02	Mr. Srinivasa Rao Kakumanu ²	Managing Director	86,23,171	Nil	Nil	86,23,171	Nil	5,00,000*	Nil
03	Mr. K. Ramachandra Reddy ³	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	Nil
04	Mr. K. Pradeep Chandra	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	8,25,000
05	Mr. D. G. Prasad	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	8,50,000
06	Mr. Damodar Rao Gummadapu	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	Nil
07	Mrs. Madhurika Nalluri Venkat	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	8,00,000
08	Mr. Rajeev Krishna moorthy ⁴	Independent Director	Nil	Nil	Nil	Nil	NA	Nil	5,00,000
09	Mr. Naveed Ahmed Sherwani ⁵	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	5,50,000
10	Mr. G. V. Pranav Reddy ⁶	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	1,50,000
11	Mr. Vinayendra Parvathani ⁶	Non-Executive Director	Nil	Nil	Nil	Nil	NA	Nil	2,00,000

* 5,00,000 ESOPs are granted at a grant price of Rs. 50 with a vesting period of 04 years.

1. Mr. Venkata Sudhakar Simhadri ceased to be a MD & CEO w.e.f 25th October, 2023.
2. Mr. Srinivasa Rao Kakumanu ceased to be a MD & CEO w.e.f. 26th October, 2023.
3. Mr. K.Ramachandra Reddy ceased to be a Director w.e.f 01st May, 2023.
4. Mr. Rajeev Krishnamoorthy ceased to be a Director w.e.f. 29th January, 2024.
5. Mr. Naveed Ahmed Sherwani appointed as Director w.e.f. 17th June, 2023.
6. Mr. G. V. Pranav Reddy and Mr. Vinayendra Parvathaneni appointed as Directors w.e.f. 04th November, 2023.

3. Stakeholders Relationship Committee

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

The Brief description of terms of reference mandated by your Board, which is also in line with the statutory and regulatory requirements are:

- I. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- II. Review of measures taken for effective exercise of voting rights by shareholders.
- III. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- IV. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- V. Any other terms that may be assigned by the Board time to time

a) Composition, Meetings and Attendance

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

During the Financial Year 2023-24, one meeting of the Stakeholders' Relationship Committee was held on 17th January, 2024.

The Company Secretary acts as a Secretary to the Committee.

The composition of the Stakeholders' Relationship Committee and the attendance of the members at the meetings held during the Financial Year 2023-24 are as under:

The Stakeholders' Relationship Committee comprises of the following Directors

Mrs. Madhurika Nalluri Venkat	-- Chairperson
Mr. K. Pradeep Chandra	-- Member
Mr. Damodar Rao Gummadapu	-- Member

Meetings and attendance during the year 2023-24

Name of the Director	Category	No of Meetings held during their tenure in the year 2023-24	No of Meetings attended
Mr. K. Pradeep Chandra	Independent Director	01	01
Mrs. Madhurika Nalluri Venkat	Independent Director	01	01
Mr. D. G. Prasad ¹	Independent Director	00	00
Mr. Damodar Rao Gummadapu ²	Non-executive Director	01	00

1. Mr. Damodar Rao Gummadapu appointed as Committee member w.e.f. 17th July, 2023.
2. Mr. D. G. Prasad ceased to be a Committee member w.e.f. 17th July, 2023.

b) Name and designation of Compliance Officer

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

c) Investor Grievances Redressal Status

During the financial year 2023-24, the status of Investors' Complaints as on March 31, 2024, is as follows:

No. of complaints as on April 1, 2023	0
No. of complaints received during the Financial Year 2023-24	0
No. of complaints resolved upto March 31, 2024	0
No. of complaints pending as on March 31, 2024	0

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

4. Risk Management Committee

a) Brief description of terms of reference

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

b) Composition, Meetings and Attendance

The Risk Management Committee constituted by the Board of Directors w.e.f. 01st May, 2022 since the Company fall under top 1,000 listed companies based on market capitalization as on 31-03-2022.

The composition of the Risk Management Committee and the attendance of the members at the meetings held during the Financial Year 2023-24 are as under:

The Risk Management Committee comprises of the following directors

Mr. Naveed Ahmed Sherwani	-- Chairman
Mrs. Madhurika Nalluri Venkat	-- Member
Mr. D.G. Prasad	-- Member

Meetings and attendance during the year 2023-24

Name of the Director	Category	No of Meetings held during their tenure in the year 2023-24	No of Meetings attended
Mrs. Madhurika Nalluri Venkat	Independent Director	02	02
Mr. Naveed Ahmed Sherwani ¹	Non-Executive Director	02	02
Mr. D. G. Prasad	Independent Director	02	02
Mr. K. Ramachandra Reddy ²	Non-Executive Director	00	00
Mr. Pradeep Chandra Kathi ²	Independent Director	00	00
Mr. Rajeev Krishnamoorthy ³	Independent Director	01	01

1. Mr. Naveed Ahmed Sherwani appointed as Committee member and Chairman w.e.f. 17th July, 2023.
2. Mr. K. Ramachandra Reddy ceased to be a Committee member w.e.f. 01st May, 2023 and Mr. Pradeep Chandra Kathi ceased to be a Committee member w.e.f. 17th July, 2023.
3. Mr. Rajeev Krishnamoorthy ceased to be a Committee member w.e.f. 29th January, 2024 .

During the Financial Year 2023-24, Two meetings of the Risk Management Committee were held on

(i) 23rd September, 2023 and (ii) 20th March, 2024.

The Company Secretary acts as a Secretary to the Committee

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

SUBSIDIARY COMPANIES

The subsidiary companies are managed by their respective Board of Directors. The Company monitors the performance of subsidiary companies on periodic basis. The statement containing details of all significant transactions entered into by subsidiary companies is tabled before the Board periodically. Minutes of the Board Meetings of subsidiary companies are placed before the Board. The policy for determining material subsidiary is available on the Company's website https://moschip.com/wp-content/uploads/2017/02/Policy_on_Material_Subsiadiaries-1.pdf.

GENERAL BODY MEETINGS

i) Details of last three AGMs

AGM	Venue	Time & Date	No. of Special resolutions passed
Twenty Second	Through Video Conferencing ("VC") / Other Audio Visual Means("OAVM") without the physical presence of the Members at a common venue	13 th September,2021 at 11.00 a.m. (IST).	02
Twenty Third	Through Video Conferencing ("VC") / Other Audio Visual Means("OAVM") without the physical presence of the Members at a common venue	26 th August, 2022 at 11.00 a.m. (IST).	00
Twenty Fourth	Through Video Conferencing ("VC") / Other Audio Visual Means("OAVM") without the physical presence of the Members at a common venue	15 th September, 2023 at 10.00 a.m. (IST)	02

During the year under review, the Company has conducted two EGMs as mentioned in below table:

EGM	Venue	Time & Date	No. of Special resolutions passed
01 st EGM	Through Video Conferencing ("VC") / Other Audio Visual Means("OAVM") without the physical presence of the Members at a common venue	26 th April, 2023 at 10.00 a.m. (IST)	05
02 nd EGM	Through Video Conferencing ("VC") / Other Audio Visual Means("OAVM") without the physical presence of the Members at a common venue	17 th December, 2023 at 10.00 a.m. (IST)	05

No special resolution was passed through postal ballot during the financial year 2023-2024

Means of Communication

i) Financial results, Annual Report etc.:

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

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

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

ii) Management Discussion and Analysis

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

ANALYST/INVESTOR MEETS

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

GENERAL SHAREHOLDER INFORMATION

- a. AGM – Date, Time and Venue** : 28th September, 2024, at 05.00 pm through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue
- b. Financial Calendar** : The financial year of the Company starts from the 01st day of April and ends on 31st day of March of next year.
- c. The following is the tentative financial calendar of the Company, which is subject to change:**

Un-Audited Financial Results for the FY 2024-25

- First Quarter Results : 22nd July, 2024
- Second Quarter & Half-yearly Results : Between 15th October, 2024 & 30th October, 2024.
- Third Quarter Results : Between 15th January, 2025 & 30th January, 2025
- Fourth Quarter & Annual Results : Between 20th April, 2025 & 15th May, 2025.
(Audited in lieu of un-audited results)
- d. Date of Book Closure** : 20 September, 2024 to 28 September, 2024
(both days inclusive)
- e. Dividend Payment Date** : Your Board has not recommended any Dividend
- f. Listing on Stock Exchanges** : BSE Limited
P J Towers, Dalal Street, Fort, Mumbai – 400 001.
- g. Stock Code on BSE Limited** : 532407 / MOSCHIP
- h. Listing Fee** : Listing fees to the Stock Exchange for listing of equity shares has been paid for the FY2024-25.

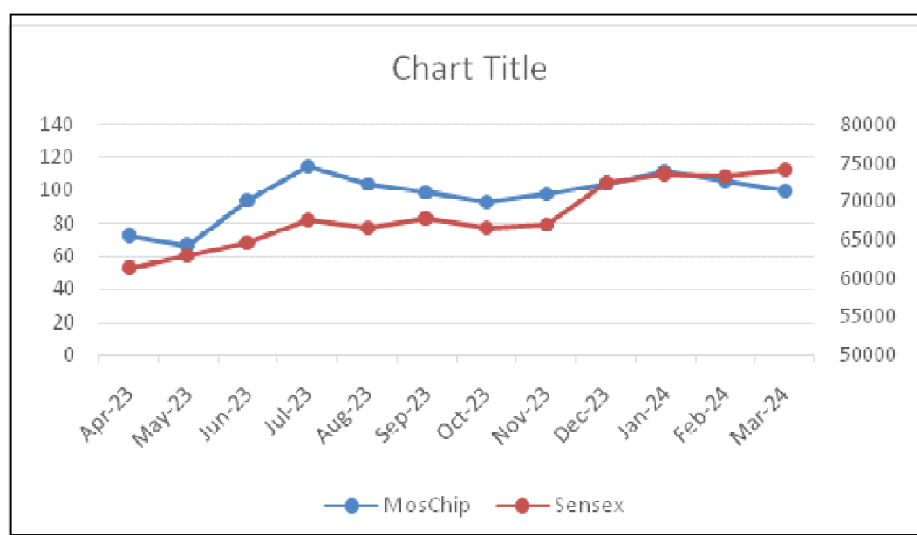
i. Market Price data High / Low during each month in the Financial Year 2023-24 and Performance in comparison to broad- based indices such as BSE Sensex.

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

Month & year	MosChip		Sensex	
	High	Low	High	Low
Apr-23	71.95	56.55	61,209.46	58,793.08
May-23	66.15	59.16	63,036.12	61,002.17
Jun-23	94.00	58.51	64,768.58	62,359.14
Jul-23	114.68	74.45	67,619.17	64,836.16
Aug-23	103.80	90.05	66,658.12	64,723.63
Sep-23	99.00	79.20	67,927.23	64,818.37
Oct-23	93.00	77.00	66,592.16	63,092.98
Nov-23	98.00	81.00	67,069.89	63,550.46
Dec-23	103.50	86.00	72,484.34	67,149.07
Jan-24	112.00	95.20	73,427.59	70,001.60
Feb-24	105.85	90.80	73,413.93	70,809.84
Mar-24	100.45	83.50	74,245.17	71,674.42

j. Relative movement chart:

The Chart below gives the relative movement of the closing price of the Company's share and the closing price of the BSE Sensex between 01st April, 2023 to 31st March, 2024.



k. Suspension from Trading

: No securities of the Company were suspended from trading during the financial year 2023-2024.

i. Registrar and Transfer Agents

: KFin Technologies Limited,
Kary Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad - 500 032, Telangana.

m. Share Transfer System

Around 99.75% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dated 8th June, 2018, with effect from 1st April, 2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

As regards transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/legal heir certificate can be lodged either with the Company at its Registered Office or with the Company's Registrars and Share Transfer Agents, whose address has been given above.

n. Distribution of Shareholding:

The Distribution of shareholding of the Company as on 31st March 2024 is as below:

DISTRIBUTION SCHEDULE AS ON 31/03/2024						
S. No	Category	Cases	% of Cases	No of Shares	Amount	% Amount
1	1 – 5,000	1,04,136	96.77	2,21,50,398	4,43,00,796	11.77
2	5,001 – 10,000	1,837	1.71	69,36,158	1,38,72,316	3.69
3	10,001 – 20,000	858	0.80	64,29,179	1,28,58,358	3.42
4	20,001 – 30,000	250	0.23	31,00,628	62,01,256	1.65
5	30,001 – 40,000	154	0.14	27,41,490	54,82,980	1.46
6	40,001 – 50,000	74	0.07	17,21,441	34,42,882	0.91
7	50,001 – 1,00,000	148	0.14	54,30,288	1,08,60,576	2.89
8	1,00,001 & Above	156	0.14	13,96,26,217	27,92,52,434	74.22
	Total	1,07,613	100.00%	18,81,35,799	37,62,71,598	100.00%

o Shareholding Pattern as on 31st March, 2024

Shareholding Pattern as on 31/03/2024				
S. No	Description	No. of holders	Total shares	% equity
1	PROMOTERS	4	8,90,35,118	47.32
2	RESIDENT INDIVIDUALS	1,04,799	6,06,93,837	32.26
3	FOREIGN NATIONALS	17	1,00,04,158	5.32
4	BODIES CORPORATES	275	66,01,962	3.51
5	NON RESIDENT INDIANS	632	58,13,900	3.09
6	FOREIGN PORTFOLIO INVESTORS	1	52,70,100	2.80
7	EMPLOYEES	230	46,37,579	2.47
8	H U F	1,226	25,51,637	1.36
9	FOREIGN CORPORATE BODIES	4	22,80,393	1.21
10	NON RESIDENT INDIAN NON REPATRIABLE	413	9,25,305	0.49
11	EMPLOYEES WELFARE TRUST	1	1,97,470	0.10
12	DIRECTORS AND THEIR RELATIVES	1	64,349	0.03
13	KEY MANAGEMENT PERSONNEL	1	57,287	0.03
14	PROMOTERS AND THEIR RELATIVES	1	1,500	0.00
15	TRUSTS	6	1,200	0.00
16	CLEARING MEMBERS	2	4	0.00
	Total	1,07,613	18,81,35,799	100

p. Dematerialization of shares and liquidity

As per SEBI guidelines on investors' protection, the Company's shares are to be traded only in dematerialized mode. Accordingly, the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity and facilitate scrip-less trading. As at the end of 31st March 2024, **99.75%** of the outstanding Equity Shares of the company are in electronic form.

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

q. Plant locations

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

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

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

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

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

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

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

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

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

t. SEBI Complaints Redress System (SCORES):

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

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

S.No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid in lakhs
1	Statutory Audit fees paid for Audit of the MosChip Technologies Limited including Limited Review & fee paid for any other services	7.02
2	Statutory Audit fees paid for Audit of the MosChip Institute Silicon Systems Private Limited including Limited Review & fee paid for any other services	0.78
3	Statutory Audit fees paid for Audit of the Softnautics LLP including Limited Review & fee paid for any other services	1.65
	Total	9.45

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

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

- w. Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on equity as of 31st March, 2024

Your Company does not have outstanding GDR / ADR / Warrants as of 31st March, 2024.

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

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

- y. Details of 'Loans and Advances' in the nature of loans to firms / companies in which directors of the Company are interested:

The details pertaining to the loans and advances are disclosed in the Note no. 33 of the financial statements, which forms part of this Report.

- z. Details of material subsidiaries of the Company:

Name of material subsidiary	Moschip Technologies, USA
Date of incorporation	07-05-2001
Place of incorporation	California, USA
Date of appointment of the statutory auditors	28-04-2022

DISCLOSURES

- a. Disclosure of Materially Significant Related Party Transactions

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

As required under Regulation 23 of SEBI LODR Regulations, the Company has a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website at <https://moschip.com/wp-content/uploads/2017/02/PolicyOnRelatedPartyTransactions-1.pdf>.

Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. During the year 2023-24, no transactions of material nature were entered into by the Company with the Management or their relatives that may have a potential conflict of interest with the Company and the concerned officials have given undertakings to that effect as per the provisions of the SEBI Listing Regulations.

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

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

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

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behavior, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimization of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/Employee has been denied access to the Chairman of the Audit Committee. The Vigil Mechanism Policy has been uploaded on the website of the Company at <https://moschip.com/wp-content/uploads/2017/02/WhistleBlowerPolicy-1.pdf>.

d. Insider Trading

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company. Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company. The Policy on Code of Conduct for prevention of Insider Trading has been uploaded on the website of the Company at <https://moschip.com/wp-content/uploads/2022/02/MosChip-Insider-Trading-Policy.pdf>.

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

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

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

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

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

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

a. The Board

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

b. Shareholders Rights

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

c. Modified opinion(s) in audit report

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

d. Reporting of internal auditor

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

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

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

- (a) a Non-Executive Director; and

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

Certificate by Practicing Company Secretary

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

Disclosure of Commodity Price Risk and Commodity Hedging Activities

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

Details of Utilization of Fund

During the year your Company has raised an amount of Rs. 60.166 crores through preferential issue as per SEBI (ICDR) Regulations, the utilization of fund details are given in below table:

S. No	Date of allotment	No of equity shares	Allotment price	Amount received in Rs.	Name of the Investor	Utilization of funds
01	10-06-2023	1,14,52,498	65.22	Swap of Shares	Shareholders Softnautics	For the acquisition of Softnautics Inc (Swap of Shares).
02	22-12-2023	52,70,100	95.52	50,33,99,952	Citrus Global Arbitrage Fund	This amount was used to fund the acquisitions for inorganic growth of the Company, General Corporate Purpose and Working capital requirement.
03	As detailed in Annexure - D	48,46,412	As detailed in Annexure - D	9,82,62,988	Employees who exercised their vested stock options	This amount was used for General Corporate Purpose and Working capital requirement.
			Total	60,16,62,940		

Details of Credit rating

Not applicable

Non-compliance of any requirement of Corporate Governance report.

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

Regulation 34(3) compliance of SEBI Listing Regulations

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

Company Registration details

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

CEO/CFO CERTIFICATION

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

REPORT ON CORPORATE GOVERNANCE

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

COMPLIANCE CERTIFICATE FROM A PRACTICING COMPANY SECRETARY

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

Declaration for Affirmance of Compliance with Code of Conduct

In compliance with Regulation 17 of the SEBI Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website **www.moschip.com**. The Code is applicable to all Board members and Senior Management personnel of your Company. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of your Company as on 31st March, 2024 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO is as below:

DECLARATION

As provided under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel of MosChip Technologies Limited have confirmed compliance with the Code of Conduct for the year ended March 31, 2024.

Place: Hyderabad
Date: 05th September, 2024

Srinivasa Rao Kakumanu
MD & CEO
DIN: 06726305

CEO & CFO CERTIFICATION

The Board of Directors
MosChip Technologies Limited
Hyderabad.

We, **Srinivasa Rao Kakumanu**, Managing Director & Chief Executive Officer and **Jayaram Susarla**, Chief Financial Officer of MosChip Technologies Limited, hereby certify that:

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

Place: Hyderabad
Date: 06th May, 2024

Srinivasa Rao Kakumanu
MD & CEO
DIN: 06726305

Jayaram Susarla
CFO

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

MosChip Technologies Limited,

(CIN: L31909TG1999PLC032184)

7th Floor, My Home Twitza, Plot No.30/A, Sy.No.83/1, TSIIIC, Hyderabad Knowledge City,
Raidurg, Panmaktha, Hyderabad, Rangareddi, Telangana – 500081, India.

1. We have examined the compliance of the conditions of Corporate Governance by **MosChip Technologies Limited** (hereinafter called “the Company”), having CIN: L31909TG1999PLC032184 for the financial year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI Listing Regulations’).

Management’s responsibility

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

Our responsibility

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

Opinion

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2024.

Other matters and restriction on use

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For B S S & Associates
Company Secretaries**

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000415336

Peer Review No: 726/2020

Place: Hyderabad

Date: 21.05.2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Pradeep Chandra Kathi	05345536	27/04/2018
02	Gummadapu Damodar Rao	07027779	27/04/2018
03	Govinda Prasad Dasu	00160408	28/05/2018
04	Nalluri Madhurika Venkat	07147974	13/08/2019
05	Naveed Ahmed Sherwani	10199022	17/06/2023
06	Srinivasa Rao Kakumanu	06726305	26/10/2023
07	Pranav Gunupati Venkata Reddy	06381368	04/11/2023
08	Vinayendra Parvathaneni	07789149	04/11/2023
09	Kadiri Ramachandra Reddy*	00042172	31/08/2015
10	Venkata Sudhakar Simhadri**	01883241	26/10/2018
11	Rajeev Krishna Moorthy***	09542130	28/03/2022

* Ceased w.e.f. 01/05/2023

** Ceased w.e.f. 25/10/2023

*** Ceased w.e.f. 29/01/2024

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

**For B S S & Associates
Company Secretaries**

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000415336

Peer Review No: 726/2020

Place: Hyderabad

Date: 21.05.2024

ANNEXURE 'I' TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A : GENERAL DISCLOSURES

I. Details of the Listed entity

1. Corporate Identity Number (CIN) of the Company	L31909TG1999PLC032184
2. Name of the Company	MOSCHIP TECHNOLOGIES LIMITED
3. Year of Incorporation	27-07-1999
4. Registered address	7th Floor, My Home Twitza, Plot No.30/A Sy.No.83/1, TSIIIC Hyderabad Knowledge City, Raidurg, Panmaktha Rangareddi, Hyderabad, Telangana- 500081
5. Corporate address	7th Floor, My Home Twitza, Plot No.30/A Sy.No.83/1, TSIIIC Hyderabad Knowledge City, Raidurg, Panmaktha Rangareddi, Hyderabad, Telangana- 500081
6. E-mail id	Suresh.cs@moschip.com
7. Telephone	+91 40 6622 9292
8. Website	WWW.MOSCHIP.COM
9. Financial Year reported	April 1, 2023 to March 31, 2024
10. Name of the Stock Exchange(s) where shares are listed:	BSE Limited
11. Paid-up Capital	Rs.37,62,71,598 /-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name:- Suresh Bachalakura Designation:- Company Secretary & Compliance Officer Email Id:- Suresh.cs@moschip.com Telephone Number:- 040-66229292
13. Reporting boundaries are the disclosures under this Report made on a standalone basis (i.e., only for the Company) or on a consolidated basis (i.e., for the Company and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures under this report are made on a standalone basis
14. Name of assurance provider	Not Applicable
15. Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Design Services	Semiconductor & Embedded design services	100 %

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Design Services	62,011	100 %

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of offices
National	04
International	02

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	04 States (Telangana, Karnataka, Gujarat & Maharashtra)
International (No. of Countries)	01, USA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports revenue constitute more than 22.33 % of the total revenue.

c. A brief on types of customers

The company's customers are from industries like EDA Tools, PCB's, CPU, GPU's, System-of-chips, FPGAs, and other Tier 1 and Tier 2 suppliers across the globe.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1068	722	68%	346	32%
2.	Other than Permanent (E)	39	27	69%	12	31%
3.	Total employees (D + E)	1107	749	68%	358	32%

WORKERS

4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total Workers (F +G)	-	-	-	-	-

b. Differently abed Employees and workers

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	-	-	-	-	-

DIFFERENTLY ABLED WORKERS

4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total employees (F +G)	-	-	-	-	-

At present, Moschip technologies Limited does not have any employee or workers with disabilities. However, the Company maintains a non-discriminatory approach towards them and applies the same policies to all employees and workers, including during the recruitment process. -

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	8	1	12.5
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY Apr'23-Mar'24 (Turnover rate in current FY)			FY Apr'22-Mar'23 (Turnover rate in previous FY)			FY Apr'21-Mar'22 (Turnover rate in the year print to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.89%	4.15%	10.24%	11.98%	5.34%	17.32%	11.74%	5.30%	17.05%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate Companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Mayuka Holdings Private Limited	Holding	45.10%	No
2	MosChip Institute of Silicon Systems	Subsidiary	100	No
3	MosChip Technologies, USA	Subsidiary	100	No
4	MosChip Technologies WLL, Bahrain	Subsidiary	100	No
5	Softnautics Inc	Subsidiary	100	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) **YES**

(ii) Turnover (in Rs.) 22,283.89 Lakhs

(iii) Net worth (in Rs.) 27,381.32 Lakhs

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	NA	NA	NA	NA	NA	NA
Investors (Other than shareholders)	Yes	NA	NA	NA	NA	NA	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes*	NA	NA	NA	NA	NA	NA
Employees and workers	Yes**	NA	NA	NA	NA	NA	NA
Customers	Yes@	NA	NA	NA	NA	NA	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

The policies guiding the Company's conduct, including the grievance redressal mechanism, are available on the Company's website at <https://moschip.com/policies-documents/>

* The Company provides a mechanism to address grievances of its shareholders. KFin Technologies Limited has been appointed as the Share Transfer Registrars/Agents and is responsible for addressing shareholders' inquiries, requests, and complaints. The Share Transfer Registrars/Agents operate within the guidelines established by SEBI and respond to such grievances through a designated email address.

** The Company's Whistle Blower Policy is available to all employees and workers. The Company offers various communication channels, including an email address, and written complaints, to address any grievances through the Whistle Blower mechanism.

<https://moschip.com/wp-content/uploads/2024/03/Whistle-Blower-Policy.pdf>

@ Multiple communication channels are in place for customers like project reviews, periodic meetings at various levels.

26. Overview of the entity's material responsible business conduct issues

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Employee well-being, health and Safety	Risk	The Company's people are important to it, and its vision includes 'to be a preferred employer of choice,' towards which health and well-being is essential.	Wellness & safety: We are a cognitive enterprise that values above all its human and intellectual capital as the main source of our customer value proposition and competitive advantage. We care deeply about our people's physical wellness and safety as well as emotional well-being.	Positive
2.	Data Privacy & Security	Risk & Opportunity	It is important to safeguard the enterprise data and also to fulfil the contractual responsibility to customers. The increasing landscape of data privacy laws across the globe also possess a risk of penalties on non-compliances and reputational loss. (Risk)	Enhanced cyber security measures like robust processes, policies, awareness and sensitization programmes.	Positive
3.	Diversity, Equity and Inclusion.	Opportunity	As devices become smart and connected, they also become vulnerable to attacks. This presents a good opportunity to secure equipment and create a safe environment for our operations. (Opportunity) In line with the Company's Code of Conduct and stakeholder expectations	Developing capability and demonstrator to address potential commercial opportunity	Positive
4.	Waste	Risk	Aligning with the principle of reducing resource use.	Reduction of waste by awareness and responsible disposal leading to recycling.	Positive

5.	Water	Opportunity	Though the company's operations are not water-intensive, the overall functioning of the company, including employee well-being and facility maintenance, requires a significant amount of water. From restroom facilities and kitchen areas water is essential.	Implementing water-efficient fixtures, monitoring and addressing leaks promptly, and promoting water-conscious behaviors among employees are key steps in minimizing the company's water footprint. As businesses continue to embrace environmental responsibility, optimizing water usage becomes an integral part of the broader sustainability strategy of the company.	Positive
6.	Corporate Governance and Conduct	Opportunity	Corporate governance is critical for the success of MosChip and any risks can result in reputation loss and damage to stakeholder trust and business disruption.	Periodical internal reviews, audit and presentations on changes introduced by regulators.	Positive
7.	Talent risk due to huge demand for talent globally and attrition	Risk & Opportunity	<ul style="list-style-type: none"> • The company's ability to attract, develop, motivate, and retain talent is critical to its business success. • Talent scarcity can lead to poaching of the company's employees and result in higher attrition. This can disrupt ongoing projects, slow down planned ramp ups and affect revenue growth. • Inability to scale up experienced professionals with niche digital skills from the market, can also impact MosChip' ability to grow. (Risk) 	<ul style="list-style-type: none"> • Commitment to organic talent development, best in class learning and development, career growth linkage to cross-skilling / upskilling, preference to internal talent for new leadership positions, all incentivize planning of longer-term careers in MosChip and improved retention. • Reduce talent acquisition cycle time to improve joining rates through innovative practices. • Focused employee engagement to reduce attrition, increase sense of belonging and build capability to capture the demand from the market. 	Positive

			<ul style="list-style-type: none"> Talent scarcity in major markets is impeding enterprises' ability to staff projects, increasing the propensity to outsource. Superior talent retention by MosChip can result in greater delivery certainty and therefore a differentiated positioning for the company, driving market share gains. (Opportunity) 	<ul style="list-style-type: none"> Proactive pitches to clients for operating model transformations leveraging AI and automation, or managed services models to enable tapping into global talent pools. Commitment to organic talent development, best in class learning and development, career growth linkage to cross-skilling / upskilling, preference to internal talent for new leadership positions, all incentivize planning of longer-term careers in Moschip and best in class talent retention. 	Positive
8.	Currency volatility	Risk	<ul style="list-style-type: none"> Volatility in currency exchange movements results in transaction and translation exposure. Moschip functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses. Conversely, depreciation could optically inflate revenues and earnings, distorting stakeholder perceptions of the underlying business momentum. 	<ul style="list-style-type: none"> Contractual Agreements: Negotiate contracts with vendors and customers that include fixed pricing in the respective currencies. This way, both parties share the currency risk, and sudden fluctuations won't directly impact. 	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable									
P2	Businesses should provide goods and services in a manner that is sustainable and safe									
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains									
P4	Businesses should respect the interests of and be responsive towards all its stakeholders									
P5	Businesses should respect and promote human rights									
P6	Businesses should respect, protect and make efforts to restore the environment									
P7	Businesses when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent									
P8	Businesses should promote inclusive growth and equitable development									
P9	Businesses should engage with and provide value to their consumers in a responsible manner									
Disclosure Questions		P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
Policy and management processes										
1.a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
c.	Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	NA	Y	Y
P1 & P4 : MosChip Code of Conduct, Nomination and Remuneration Policy, Whistle Blower Policy & Risk Management Policy Weblink: https://moschip.com/policies-documents/ P4 and P8 : CSR Policy Weblink: https://moschip.com/wpcontent/uploads/2023/06/CSR-policy.pdf P3 & P4- Policy on prevention of sexual harassment of employees: https://moschip.com/wp-content/uploads/2017/02/PreventionOfSexualHarssementPolicy-1.pdf										
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 – Quality Management System								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA

Governance, Leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) At Moschip, responsible business practices are integral to our mission and vision. As we present this year's Business Responsibility Report, we reaffirm our commitment to Environmental, Social, and Governance (ESG) principles. We've set ambitious goals to conserve resources, promote diversity, and maintain high governance standards, aligned with global sustainability frameworks. While our journey toward sustainability has had its challenges, we remain dedicated to overcoming them and creating long-term value for all stakeholders. Our commitment to accountability and ethical operations drives us to continue this journey with determination.																			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).					Name: Srinivasa Rao Kakumanu Designation: Managing Director & CEO DIN: 06726305														
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.					Yes, the stakeholders relationship committee constituted by the Board														
10. Details of Review of NGRBCs by the Company:																			
Subject for Review		Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee					Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)												
Performance against above policies and follow up action		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
		D	D	D	D	D	D	D	D	D	Q	H	Q	Q	Q	H	H	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		There are no statutory violations/Non-compliances with respect to each principle in the company.																	
MosChip Quality Management System Integrates the Industry requirements, best practices, frame works, and standards, this includes ISO 9001:2015. The Company complies with international laws, principles and norms, including those in the Universal declaration of Human Rights, ILO Declaration on Fundamental principles and Rights at Work, and United Nations Guiding on Business and Human Rights.																			
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.					P	P	P	P	P	P	P	P	P						
					1	2	3	4	5	6	7	8	9						
					N	N	N	N	N	N	N	N	N						
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																			
QUESTIONS					P	P	P	P	P	P	P	P	P	P					
					1	2	3	4	5	6	7	8	9						
The entity does not consider the Principles material to its business (Yes/No)					NA														
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																			
The entity does not have the financial or/human and technical resources available for the task (Yes/No)																			
It is planned to be done in the next financial year (Yes/No)																			
Any other reason (please specify)																			

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

MosChip Technologies limited is a Semiconductor design services Company, the Company has established its code of conduct that encompasses employees, customers, shareholders, suppliers, partner and have the necessary systems to monitor and improve.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics /Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Business Responsibility and Sustainability	100
Key Managerial Personnel	4	The KMP participated in Sessions on the MosChip Code of Conduct, business ethics, strategy, risk, ESG matters, workplace conduct, Law & Compliance.	100
Employees other than BoD and KMPs	4	P1,P3,P6,	100
Workers	NA	NA	NA

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NIL	NIL	NA	NA
Settlement	NA	NIL	NIL	NA	NA
Compounding fee	NA	NIL	NIL	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NIL	NIL	NA	NA	
Punishment	Nil	Nil	NA	NA	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has formulated anti-bribery policy to ensure that appropriate and adequate procedures are in place to prevent the Company's involvement in any activity involving bribery or corruption even where the involvement may be unintentional. The policy is available at <https://secureservercdn.net/160.153.138.219/lj8.c14.myftpupload.com/wp-content/uploads/2021/02/Anti-Bribery-Policy-MosChip.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2023-2024 (Current Financial Year)		FY 2022-2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. **NA**
8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Number of days of accounts payable	70 Days	84 Days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NIL	NIL
	b. Sales (Sales to related parties / Total Sales)	31 %	31 %
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	92 %	96 %
	d. Investments (Investments in related parties / Total Investments made)	NIL	NIL

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.- **Yes**

Company's Code of Conduct contains provisions for conflict of Interest. The provisions are as follows:

The Directors and Senior Management Personnel shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest. They should avoid transacting company business with their relative or with a firm/ company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board.

The Directors and Senior Management Personnel shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

The Directors and Senior Management Personnel shall not have any financial interest, including through a relative directly or indirectly, in any organization if that interest would give or appear to give a conflict of interest with the Company. The Directors and Senior Management Personnel shall be particularly sensitive to financial interests in competitors, suppliers, customers, distributors and strategic partners.

It is clarified that it would not be a conflict of interest for the Director & Senior Management Personnel of the Company or members of their immediate family to have dealings in normal course with and to obtain services from persons or entities who also deal/provide services to the Company, including legal, accounting or brokerage services, loans & services from banks or insurance from insurance companies etc., at rates customary for similarly situated customers.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe
Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details improvements of in Environmental and social impacts
R&D	NIL	NIL	NIL
Capex	NIL	NIL	NIL

- Does the entity have procedures in place for sustainable sourcing? (Yes/No) **No**
 - If yes, what percentage of inputs were sourced sustainably?
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
 - MosChip Technologies is a design services company offering Semiconductor design services and does not manufacture any products. The Company has defined process for reuse, recycling and safe end-of-life disposal for the products used in its operations. The Company encourages reduced use of paper. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. **NA**

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name Product/Service	% of total of Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable Moschip Technologies Limited is a Semiconductor design services Company and we do not produce any products. Life Cycle Perspective / Assessments (LCA) is not applicable for our services.					

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
There are no social or environmental concerns and / or risks arising from our service offerings		

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Not Applicable.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Category	FY 2023-2024 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

MosChip Technologies recognizes that its employee's well-being is critical to its vision and values. The company has also developed systems to enable labour and human rights in its value chain.

1 a. Details of measures for the well-being of employees :

	Total (A)	% of employee covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	722	722	100%	722	100%	-	-	32	2.9%	-	-
Female	346	346	100%	346	100%	21	1.9%	-	-	-	-
Total	1,068	1,068	100%	1,068	100%	21	7.4%	32	2.9%	-	-

Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.67%	0.81%

2. **Details of retirement benefits, for the Current FY and Previous Financial Year.**

Benefits	FY 2023-2024 Current Financial Year			FY 2022-23 Previous Financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total	No. of workers covered as a % of total	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.81 %	NA	Y	99.78 %	NA	Y
Gratuity	22.28 %	NA	Y	16.95 %	NA	Y
ESI	6.93 %	NA	Y	9.29 %	NA	Y
Others – Please Specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of persons with disabilities act, 2016? If not, whether any steps are being taken by the entity in this regard:

NA

4. Does the entity have an equal opportunity policy as per the rights of persons with disabilities act, 2016? If so, provide a weblink to the policy.

NA

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100 %	100.00 %	-	-
Female	100 %	85.71 %	-	-
Total	100 %	94.34 %	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has implemented an open door approach for every employee, regardless of their position.
Other than permanent workers	In office various platforms to its employees for sharing their grievances and concerns, including HR helpdesk and emails to their supervisors.
Permanent Workers	Further the Company follows the Code of Conduct to employees encouraging employees to raise concerns about bribery and corruption, harassment and human rights issues, insider trading and many more.
Other than permanent workers	

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity

Category	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Total employees/ workers in the respective category (A)	No. of employees/ workers in the respective categories, who are part of association(s) or union (b)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective categories, who are part of association(s) or union (D)	% (D/C)
Total permanent Employees	MosChip acknowledges and upholds the rights of its employees to peacefully associate and engage in collective bargaining. MosChip actively promotes employee participation through purpose driven group to enhance engagement and voice concerns.					
Male						
Female						
Total permanent Workers						
Male						
Female						

8. Training given to employees and workers

Category	FY 2023-24 Current financial year					FY 2022-23 Previous financial year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees(Permanent + Direct Customers)										
Male	722	440	61%	298	41.27%	640	370	58%	298	47%
Female	346	194	56%	115	33.23%	286	156	55%	115	40%
Total	1068	634	59%	413	38.67%	926	526	57%	413	45%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Training is an element for safety awareness. Health and safety training is imparted to employees as a part of the induction module at the time of joining to achieve minimum mandatory awareness related to health and safety (H&S). Constant reinforcement sessions are conducted through webinars, trainings, posters, emails, and floor meetings.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	722	654	91%	640	553	86%
Female	346	328	95%	286	250	87%
Total	1068	982	92%	926	803	87%

10. Health and safety management system:

<p>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?</p> <p>Yes, MosChip has implemented health and safety management systems in line with ISO 9001:2015.</p>
<p>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</p> <p>MosChip Technologies Limited has several processes in place to identify work-related hazards and assess risks on a routine and non-routine basis, including:</p> <p>a) Hazard Identification and Risk Analysis (HIRA) process: MosChip Technologies Limited uses a structured approach to identify and evaluate potential hazards in its operations.</p> <p>b) Incident reporting by employees and workers: MosChip Technologies Limited encourages its employees and workers to report any incidents, accidents, or near-misses that occur in the workplace.</p> <p>c) Safety walkthroughs by the leadership and senior management: MosChip Technologies Limited conducts regular safety walkthroughs of its facilities to identify potential hazards and assess their risk.</p>
<p>c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)</p> <p>Yes. The Company's workers have multiple channels to report incidents and accidents through the incident reporting system, emails, verbal reporting to supervisors and ethics helpline.</p>
<p>d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/no)</p> <p>Yes, MosChip Technologies has a doctor-in-campus facility and corporate tie-ups with the nearest multi-specialty hospitals for any emergencies</p>

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

The Company undertook various measures to ensure a safe and healthy workplace which include:

- a) Implementing Organisation Health and Safety System in line with ISO 9001:2015 standard
- b) Providing training through awareness programs on physical and mental well-being
- c) Mandating medical check-ups for high-risk categories
- d) Facilitating doctor on campus
- e) Counselling helpline one-to-one and 24*7 telemedicine facility

13. Number of complaints on the following made by employees and workers

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices working Conditions	Currently, no assessments have been made. However, the Company follows the process in its Risk register and does include medical conditions like Covid-19 and safety precautions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions:-
NA

Leadership Indicators							
1.	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) Yes (B) Workers (Y/N). No.						
2.	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. The company has begun discussions with its value chain partners to ensure that statutory dues related to their employees are deducted and deposited. However, there is no specific mandate in place for this action. This move reflects the company's commitment to responsible business conduct and employee well-being.						
3.	Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: Nil						
4.	Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) No, there are no transition assistance programs in place in the company.						
5.	Details on assessment of value chain partners <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 50%;">% of value chain partners (by value of business done with such partners) that were assessed</th> </tr> </thead> <tbody> <tr> <td>Health and safety practices</td> <td style="text-align: center;">0%</td> </tr> <tr> <td>Working Conditions</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>		% of value chain partners (by value of business done with such partners) that were assessed	Health and safety practices	0%	Working Conditions	0%
	% of value chain partners (by value of business done with such partners) that were assessed						
Health and safety practices	0%						
Working Conditions	0%						
6.	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. Not Applicable as our value chain partners were not assessed for Health and Safety practices and working conditions.						

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders
Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity stakeholder analysis and the key stakeholders include shareholders, customers, employees and Government.

The Company identifies any individual, group, or institution that contributes value to its business chain or is affected by its actions as a key stakeholder.

The following are the key stakeholders identified by the Company:

- Shareholders
- Employees
- Customers
- Academic Institutions
- Suppliers, Vendors and Partners Communities.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Shareholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual reports, earnings calls, newspaper advertisement/ notices, the Company's website, annual general meetings and press releases.	Quarterly/Yearly	To provide information and update on the companies performance.
Employees	No	Code of conduct, trainings, workshops, employee touch base and grievance mechanisms	Need-based, quarterly	Rewards, training and development, wellness and safety measures.
Customers	No	Tech days at customer premise, events, conferences, trade shows, leadership meetings, programme reviews and satisfaction surveys	Need-based, half-yearly	Product/service information, customer feedback

Academic Institutions	No	MoU's, technology meetings, conferences and seminars	Ongoing basis	Capability development and research
Suppliers, Vendors and Partners	No	Supplier code of conduct, contracts, training & awareness and appraisals	Ongoing and need-based	Supplier sustainability
Communities	Yes	CSR Policy, volunteering programs	Quarterly and annually	Community Development
Regulatory Bodies	No	Statutes and regulations	Need-based	Statutory and regulatory compliances

Leadership Indicators

7. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company engages in dialogues with both internal and external stakeholders to identify and prioritize material topics that significantly affect its business, reputation, and operations. The management then communicates these findings to the Board. This process ensures a comprehensive understanding of key issues and their impact on the organization's sustainability and success.

8. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The company is deeply committed to collaborating with its people, clients, partners, and communities to promote a more equitable, sustainable, and healthier world through technology and engineering. Regular engagement with stakeholders allows us to understand their expectations, gather insights, and identify issues that significantly affect our value creation. Our materiality assessment process ensures alignment with stakeholder priorities, evolving regulations, and global sustainability trends. By identifying key material topics, we establish actionable Key Performance Indicators (KPIs) that directly influence our strategic decision-making. This approach focuses our efforts on areas of maximum impact and enables us to set ambitious, measurable ESG targets for these critical topics, shaping our current policies and procedures

9. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups. **Nil**

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	Total (C) No. employees workers covered (D)	% (D / C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage No. (B)	% (B/A)	More than Minimum Wage No. (C)	% (C/A)	Total (D)	Equal to Minimum Wage No. (E)	% (E/D)	More than Minimum Wage No. (F)	% (F/D)
	Employees									
Permanent	1068	-	-	1068	100%	926	-	-	926	100%
Male	722	-	-	722	100%	640	-	-	640	100%
Female	346	-	-	346	100%	286	-	-	286	100%
Other than Permanent	39	-	-	39	100%	188	-	-	188	100%
Male	27	-	-	27	100%	102	-	-	102	100%
Female	12	-	-	12	100%	86	-	-	86	100%
	Workers									
Permanent	-	-	-	-	-	--	-	-	-	-
Male	-	-	-	-	-	--	-	-	-	-
Female	-	-	-	-	-	--	-	-	-	-
Other than Permanent	-	-	-	-	-	--	-	-	-	-
Male	-	-	-	-	-	--	-	-	-	-
Female	-	-	-	-	-	--	-	-	-	-

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category (Rs. in lakhs)	Number	Median remuneration/ salary/ wages of the respective category (Rs in lakhs)
Board of directors (BoD)	2	220.24	-	-
Key Managerial Personnel	2	59.07	-	-
Employees other than BOD & KMP	710	8.50	355	5.63
Workers	All benefits extended to the contract workforce (workers) are in line with tatutory provisions and are extended by the respective contractor. As a principal Employer, MosChip Technologies is committed to ensuring compliance by means of frequent audits on contractors			

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 24 Current Financial Year	FY 23 Previous Financial Year
Gross wages paid to females as % of total wages	25.51%	24.92%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has assigned the responsibility of addressing human rights issues or impacts to the Head of the Human Resource department.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

MosChip Technologies Limited has several internal mechanisms in place to redress grievances related to human rights issues which includes:

- a) Open-door policy: The Company has an open-door policy that allows employees to raise any human rights concerns with their managers or supervisors
- b) Grievance redressal mechanism: The Company has a grievance redressal mechanism in place that allows employees to report any human rights violations or concerns anonymously.
- c) Code of conduct: The Company has a code of conduct that sets out MosChip Technologies commitment to human rights and ethical business practices.
- d) HR helpdesk: The Company's HR helpdesk helps employees to approach or raise any concerns related to human rights or other issues.
- e) Employee Feedback mechanism: employees to provide feedback and suggestions on various aspects of the Company's operations, including human rights. The system is designed to promote transparency and communication between employees and management.

6. Number of Complaints on the following made by employees and workers:

	2023-24 (Current financial year)			2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child labour	-	-	-	-	-	-
Forced labour/involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	F.Y. 2023-24 (Current financial year)	F.Y. 2022-23 (Previous financial year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases: MosChip Technologies Limited has established multiple mechanisms to prevent adverse consequence to the complainant. This includes POSH, Grievance Redressal mechanism and ethics helpline to promote protected disclosures.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No) . **Yes**

10. Assessments for the year:

Child Labour	The Company follows the laws, as applicable. Although no assessment was done by the Company and no complaints were received.
Forced/Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – Please specify	

Note: MosChip Technology design and development facilities are assessed as below ISO 9001: 2015 – For Quality Management System

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above. NA

Leadership Indicators													
1.	Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints. Nil												
2.	Details of the scope and coverage of any Human rights due-diligence conducted. Nil												
3.	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Yes												
4.	Details on assessment of value chain partners: <table border="1" style="margin-left: 20px;"> <tbody> <tr> <td>Sexual Harassment</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Discrimination at workplace</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Child Labour</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Forced Labour/Involuntary Labour</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Wages</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Others – please specify</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Sexual Harassment	-	Discrimination at workplace	-	Child Labour	-	Forced Labour/Involuntary Labour	-	Wages	-	Others – please specify	-
Sexual Harassment	-												
Discrimination at workplace	-												
Child Labour	-												
Forced Labour/Involuntary Labour	-												
Wages	-												
Others – please specify	-												
5.	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. Nil												

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

MosChip technologies limited integrates sustainability into its 'Design Digital' approach. The Company advocates environmental sustainability, energy efficiency and waste reduction in its operations and products/services.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From Renewable Sources		
Total electricity consumption (A)	Not assessed	Not assessed
Total fuel consumption (B)	Not assessed	Not assessed
Energy consumption through other sources (C)	Not assessed	Not assessed
Total energy consumption (A+B+C)		
From Non-Renewable Sources	Not assessed	Not assessed
Total electricity consumption (D)	Not assessed	Not assessed
Total fuel consumption (E)	Not assessed	Not assessed
Energy consumption through other sources (F)	Not assessed	Not assessed
Total energy consumed from non-renewable sources (D+E+F)	-	-
Total energy consumed (A+B+C+D+E+F)	-	-
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Not assessed	Not assessed
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Not assessed	Not assessed
Energy intensity in terms of physical output	Not assessed	Not assessed
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Water consumption is not significantly material for our company since it is into the IT service business. However, the Company is currently baselining its water consumption across operations

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	-	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		
(Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Not Applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Being an IT service organisation, there are no significant air emissions from our operations.

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Kg	NA	NA
SOx	Kg	NA	NA
Particulate matter (PM)		NA	NA
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ ,if available)	Metric tonnes of CO ₂ equivalent	Not assessed	Not assessed
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ ,if available)	Metric tonnes of CO ₂ equivalent	Not assessed	Not assessed
Total Scope 1 and Scope 2 emissions per rupee of turnover		Not assessed	Not assessed
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e	Not assessed	Not assessed
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		Not assessed	Not assessed
Total Scope 1 and Scope 2 emission intensity in terms of physical output		Not assessed	Not assessed
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		Not assessed	Not assessed

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. No.
9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G+ H)	-	-
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Waste is not significantly material for the IT Service Company since it is into the service business. However, the company is currently baselining its domestic waste footprint across large offices.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency.No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being a IT Service company, waste generation is very limited. The company has taken adequate steps to minimise the disposal waste quantum through its operations.

All recyclable waste collected at our branches is separated (dry and wet waste). The waste is then handed over to an authorised waste processor. Digitisation and automation has helped implement paperless processes, reduced consumption of paper through e-statements and e-receipts to customers and reduced paper procurements. We've adopted a strategy to radically reduce plastic consumables across our offices. We have eliminated plastic consumables and switched to reusable or sustainably sourced alternatives wherever possible

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

We do not have any operations or offices in or around ecologically sensitive areas.

S. No.	Location of operations/offices	Type operations of	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) if no, the reasons thereof and corrective action taken, if any.
NA			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Web link
NA					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, MosChip has complied with applicable environmental law/regulations/guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken action if any
Nil				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (water consumed / Turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
-v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. **Not Applicable.**
- If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, Outcome of the initiative if any, may be provided along-with summary)
Nil		

- Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. **No**
- Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. **Nil**
- Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. **None**

PRINCIPLE 7 :- Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

MosChip Technologies Limited adheres to all applicable regulatory policies and has in place the necessary systems to monitor and Improve Compliance

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. **2**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No	Name of the trade and industry chambers/associations	Reach of the trade and industry chambers/associations (State/National)
1.	IESA - India Electronics & Semiconductor Association	National
2.	HYSEA – Hyderabad Software Enterprises Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA		

No issues related to anti-competitive conduct were identified during FY2023-24, hence, no corrective action undertaken

Leadership Indicators

Details of public policy positions advocated by the entity:

S.No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NIL					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.
Field Team supported by the Company identifies the concerns of the community when community members approach them. This is then resolved by NGO / CSR team independently/ mutually.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2023-24 (Current financial year)	2022-23 (Previous financial year)
Directly sourced from MSME/small producers	-	-
Sourced directly from within the district and neighbouring districts	-	-

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	2023-24 (Current financial year)	2022-23 (Previous financial year)
Rural		
Semi-Urban		
Urban	100 %	100 %
Metropolitan		
(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): None

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No	State	Aspirational District	Amount spent (In INR)
NIL			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)-Nil
 (b) From which marginalized /vulnerable groups do you procure? Nil
 (c) What percentage of total procurement (by value) does it constitute?Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Not Assessed. Company has not assessed the beneficiaries of CSR projects. In future, steps will be taken for capturing this data.			

PRINCIPLE 9 Businesses engage with and provide value to their consumers in a responsible manner should
Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:
 MosChip Technologies limited has a structured process and framework to capture, analyse and take action on customer complaints and concerns. All project proposals also have a clearly defined escalation matrix to raise such complaints. This is further supplemented by regular weekly CEO meetings with BU Heads and Sales Heads.
2. Turnover of products and services as a percentage of turnover from all products/services that carry information about:
NA

	As a percentage of total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Usage recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	2023-24 (Current financial year)			2022-23 (Previous Financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the ear	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	NIL	NIL	NIL	NIL	NIL	NIL
Services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive trade practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair trade practices	NIL	NIL	NIL	NIL	NIL	NIL

4. Details of instances of product recalls on account of safety issues:

None

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide the weblink to the policy: Yes, Information Security Policy <https://moschip.com/policies-documents/>
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services: **NA**
7. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches - **Nil**
 - b. Percentage of data breaches involving personally identifiable information of customers - **Nil**
 - c. Impact, if any, of the data breaches - **Nil**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). <https://moschip.com>
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. Not applicable, as company does not manufacture any products nor offer any services that pose safety risks or are susceptible to misuse or abuse.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) Not Applicable.

“Annexure J” to the Directors Report

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility (CSR) has been a strong-standing commitment at MosChip Technologies Limited (the “Company”) and forms an integral part of our activities. Accordingly, Corporate Social Responsibility (“CSR”) Policy is rooted in the Company’s core values of quality, reliability and trust guided by best practices, and driven by our aspiration for excellence in the overall performance of our business. Through its various initiatives, the Company endeavors to play a relevant role by serving society and programmes that address gaps in basic societal requirements.

The Company recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged.

The objective of our CSR policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

2. Composition of CSR Committee

Pursuant to the provisions of Section 135(9) of the Companies Act, 2013 and in view of the fact that the requirement to make spends on account of CSR obligations was less than Rs.50 lakh, the CSR Committee was not required to be formed, and the Board of Directors will discharge the functions of CSR Committee.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The details are available on our website at: <https://moschip.com/wp-content/uploads/2023/06/CSR-policy.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

As the Company is not having average CSR obligation of Rs. 10 Crores or more in pursuance of subsection (5) of section 135 of the Act, impact assessment is not applicable to the Company.

5. (a) Average net profit of the company as per sub-section (5) of section 135: **Rs. 447.64 lakhs**
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 8.95 Lakhs**
 (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**
 (d) Amount required to be set off for the financial year, if any: **Nil**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs.8.95 lakhs**

6. (a) (i) Details of CSR amount spent against ongoing projects for the financial year: Nil

(ii) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local Area (Yes/ No)	(5) Location of the project.		(6) Amount spent for the project (in Rs.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - through implementing agency.	
				State	District			Name	CSR registration number
1	promoting education, employment enhancing vocation skills	promoting education, employment enhancing vocation skills	Yes	Telangana	Hyderabad	8,95,000	No	Alumni Association	CSR00061836
					Total	8,95,000			

(b) Amount spent in Administrative Overheads: **Nil**

(c) Amount spent on Impact Assessment, if applicable: **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 8.95 Lakhs**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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.
Nil	-	-	-	-	-

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135	Rs. 8.95 Lakhs
(ii)	Total amount spent for the Financial Year	Rs. 8.95 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under sub section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer	
1.	FY-1	-	-	-	-	-	-
2.	FY-2	-	-	-	-	-	-
3.	FY-3	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: **Not Applicable**

for and on behalf of the Board of Directors of

K. Pradeep Chandra
 Director and Chairman
 DIN: 05345536

Place: Hyderabad

Date: 05th September, 2024

**INDEPENDENT
AUDITOR'S REPORT**

TO THE MEMBERS OF MOSCHIP TECHNOLOGIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of MosChip Technologies Limited (here in after referred to as the "Holding Company") and its subsidiaries (Holding Company and its four subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidate Financial Statements, including material accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31 March 2024, of its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows for the year then ended.

Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports except in case of a subsidiary, which is not material, referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key audit matters

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

Key Audit Matters:

Key Audit Matter	Auditor's Response
<p>1. Revenue Recognition</p> <p>Revenue of the company is mainly from information Technology services comprising software development, consulting, and related services. Revenue from these contracts are recognised over a period of time in accordance with the requirements of Ind AS 115, Revenue from contracts with customers.</p> <p>Due to nature of contracts, revenue recognition involves usage of percentage of completion method, which is determined by survey of work performed, which involves significant judgements, identification of contractual obligations and the company's right to receive payments for performance completed till date, change in scope and the consequential revised price contract price and recognition of the liability for loss making contract/onerous obligations.</p>	<p>Our audit procedures includes:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the systems, processes and controls for evaluation of fixed price contracts to identify distinct performance obligations and recognition of revenue. • Evaluating the design and operating effectiveness of internal controls relating to recording of the contract value, determining the transaction price, allocation of consideration to performance obligations, measurement of efforts incurred and process around estimation of efforts required to complete the performance obligations and the most appropriate method to recognise revenue. • We selected a few samples of contracts with customers and performed the following procedures: <ul style="list-style-type: none"> • Evaluated the identification of performance obligation;

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Key Audit Matter	Auditor's Response
<p>Accordingly, revenue recognition involves aforesaid significant judgement and estimation. We determine this to be a key audit matter.</p> <p>Refer note 2.10 to the Consolidated Financial Statements.</p>	<ul style="list-style-type: none"> • Considered the terms of the contracts to determine the transaction price, including adjustments for any sum payable to the customer; • Determined if the Company's evaluation of the method used for recognition of revenue is appropriate; • Tested the Company's calculation of efforts incurred, estimation of contract efforts including estimation of onerous obligation, through a retrospective review of efforts incurred with estimated efforts. <p>Assessed the appropriateness of the related disclosures in the Consolidated financial statements.</p>
<p>2. Goodwill on business acquisition:</p> <p>As detailed in the Note 43 to the Consolidated Financial Statements the company carries a Goodwill of ₹ 19,520.06 lakhs as at 31 March, 2024.</p> <p>This Goodwill was recognised on acquisition of two subsidiaries over last two years, in terms of Ind AS 103 Business Combinations.</p> <p>The Carrying values of the Goodwill are based on the present value of future cash inflows and there exists a risk of impairment if cash flows are not in line with projections.</p> <p>As per Ind AS 36, 'Impairment of Assets', the goodwill acquired in business combination shall be tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units (CGU) or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.</p> <p>Valuation of goodwill subject to management assessment of recoverable amount being higher of (i) fair value less costs to sell and (ii) value in use, involving significant judgement and are based on number of variables and estimates including projection of future sales, operating costs and profit margins; appropriate discount rate and terminal value growth rate; and probability of success in applying discounted cashflow valuation methodology.</p> <p>The assessment of impairment involves significant degree of management judgements and estimates.</p> <p>The management has concluded that the recoverable amount of CGU is higher than its carrying amount and accordingly, no impairment provisions has been recorded as at 31 March 2024. Accordingly, we determined impairment of such goodwill arising from business combination as Key Audit Matter for the current year audit.</p>	<p>We carried out the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of the Group's controls in assessing the recoverable value of goodwill. • Assessed the Group's methodology applied in determining the CGUs to which these assets are allocated. • Tested the estimated recoverable value of these assets and assessed the methodologies used by management in deriving the recoverable value and tested the significant assumptions and the underlying data used by the Group in its analysis. • Where management has used an independent valuer, evaluated the independent valuer's competence, capabilities and objectivity, and assessing the valuation methodology used by the independent valuer to estimate the fair value of investments. • Compared the significant assumptions to current industry, market and economic trends, relate Group's historical data. • Performed sensitivity analyses of the significant assumptions to evaluate the potential change in the recoverable values of these assets resulting from hypothetical changes in underlying assumptions. • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the Consolidated Financial Statements.

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

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

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

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

If, based on the work we have performed, and the reports of the other auditors as furnished to us, 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.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are incorporated in India, has adequate internal financial controls with reference to Consolidated Financial Statements in place system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

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

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

Other Matters

We did not audit the Financial Statements of two subsidiaries included in the Consolidated Financial Statements, whose Financial Statements reflect total assets of ₹3,188.82 lakhs as at 31 March 2024 and total revenues of ₹15,856.11 lakhs, total net Profit after tax of ₹694.22 lakhs, total Comprehensive Income of ₹695.92 lakhs and Net Cash Outflows of ₹421.81 lakhs for the year ended 31 March 2024, as considered in the Consolidated Financial Statement. These Financial Statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion and conclusion on the Consolidated Financial Statements included in the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor. and the procedures performed by us are as stated in paragraph above.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and Financial Results/ financial information certified by the Board of Directors

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

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- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries which are incorporated in India as on 31 March 2024 taken on record by the Board of Directors of respective companies, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those Companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Consolidated Financial Statements disclose the impact of pending litigations as on 31 March 2024, on the consolidated financial position of the Group. Refer note 33 of Consolidated Financial Statements.
 - ii) The Group didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There are no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) as no dividends are declared by the Holding Company and its Subsidiaries incorporated in India.
 - iv)
 - a. The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated

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in India whose Financial Statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) Dividend have not been declared/ paid during the year, by the holding company or its subsidiaries and accordingly compliance with section 123 for the Group is not applicable for the period under review.
- vi) Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

The Financial Statements of two subsidiaries that are not material to the Consolidated Financial Statements of the Group, have not been audited under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of these two subsidiaries.

As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1April 2023 and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration Number : 011410S

HIMA BINDU SAGALA

Partner

Membership No : 231056

ICAI UDIN : 24231056BKFSXLX4033

Place: Hyderabad

Date: 06 May 2024

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Annexure A to the Independent Auditors' Report

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

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

In conjunction with our audit of Consolidated Financial Statements of the MosChip Technologies Limited ("the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and its subsidiaries (Holding Company and its subsidiaries together referred as 'the Group') which are incorporated in India, as of that date .

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or

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fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the criteria for Internal Financial Control over Financial Reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration Number : 011410S

HIMA BINDU SAGALA

Partner

Membership No : 231056

ICAI UDIN : 24231056BKFSXLX4033

Place: Hyderabad

Date: 06 May 2024

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Notes	As at 31-Mar-24	As at 31-Mar-23
ASSETS			
Non-current assets			
Property, plant and equipment	3	522.78	683.93
Right-of-use assets	4(b)	2,203.04	3,098.14
Intangible assets	4(a)	1,328.93	344.90
Intangible assets under development	4(a)	904.60	-
Goodwill	4(c)	19,520.06	6,889.80
Financial assets			
Trade receivables	5	92.33	150.02
Others	6	363.57	257.62
Deferred tax asset		72.29	-
Total non-current assets		25,007.60	11,424.41
Current assets			
Inventories	7	79.98	108.27
Financial assets			
Trade receivables	8	9,054.94	7,289.52
Cash and cash equivalents	9 (a)	335.31	206.78
Other Bank balances	9 (b)	1,915.86	1,121.89
Other financial assets	10	796.35	763.13
Current tax assets (net)	11	357.48	351.28
Other current assets	12	701.69	216.20
Total current assets		13,241.61	10,057.07
Total assets		38,249.21	21,481.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	3,758.77	3,327.39
Other equity	14	23,184.15	7,979.56
Total equity		26,942.92	11,306.95
Non-current liabilities			
Financial liabilities			
Borrowings	15	754.29	1,409.66
Lease liabilities	16	1,314.67	2,187.78
Others	17	-	80.00
Provisions	18	1,505.07	928.52
Total non-current liabilities		3,574.03	4,605.96

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Notes	As at 31-Mar-24	As at 31-Mar-23
Current liabilities			
Financial liabilities			
Borrowings	19	3,755.12	2,521.36
Lease liabilities	20	1,124.95	1,075.02
Trade payables	21		
(a) dues of micro and small enterprises		67.73	54.50
(b) dues other than (a) above		1,425.52	1,299.53
Others	22	43.59	6.77
Other current liabilities	23	907.77	366.67
Current tax liabilities (net)	24	32.09	-
Provisions	25	375.49	244.72
Total current liabilities		7,732.26	5,568.57
Total liabilities		11,306.29	10,174.53
Total equity and liabilities		38,249.21	21,481.48

The accompanying notes form an integral part of the standalone financial statements 1 - 50

As per our report of even date attached

For ST Mohite & Co

Chartered Accountants
ICAI Firm Registration No: 011410S

Hima Bindu Sagala

Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSXLX4033

Place: Hyderabad
Date: 06 May 2024

For and on behalf of the Board
MosChip Technologies Limited

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Jayaram Susarla
Chief Financial Officer

Place: Hyderabad
Date: 06 May 2024

Damodar Rao Gummadapu
Director
DIN : 07027779

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars	Notes	Year Ended 31-Mar- 24	Year Ended 31-Mar- 23
I Income			
Revenue from operations	26	29,391.43	19,835.54
Other income	27	323.54	496.79
Total income		29,714.97	20,332.33
II Expenses			
Cost of materials consumed	28	2,468.59	148.78
Operating cost	29	2,552.52	1,372.63
Employee benefit expense	30	19,892.16	14,724.51
Finance costs	31	601.98	772.37
Depreciation and amortisation expense	4(d)	2,026.22	1,732.18
Other expenses	32	1,040.85	957.96
Total expenses		28,582.32	19,708.43
III Profit before tax (I - II)		1,132.65	623.90
IV Tax expense			
Current tax		164.59	6.13
Deferred tax	44	(20.38)	-
Total tax expense		144.21	6.13
V Profit after tax (III - IV)		988.44	617.77
VI Other comprehensive income			
A) Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit liabilities - (gain) / loss	36	261.92	150.78
B) Items that will be reclassified to profit or loss:			
Exchange difference on translating foreign operations		(1.70)	(16.75)
Total other comprehensive (income) / loss		260.22	134.03
VII Total comprehensive income / (loss) for the year (V - VI)		728.22	483.74
Earnings per equity share (nominal value of ₹2)	39		
Basic (₹)		0.55	0.38
Diluted (₹)		0.52	0.35

The accompanying notes form an integral part of the consolidated financial statements 1 - 50

As per our report of even date attached

For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration No: 011410S

For and on behalf of the Board
MosChip Technologies Limited

Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSXLX4033

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Damodar Rao Gummadapu
Director
DIN : 07027779

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

Place: Hyderabad
Date: 06 May 2024

Place: Hyderabad
Date: 06 May 2024

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Year Ended 31-Mar-24	Year Ended 31-Mar-23
A Cash flow from operating activities		
Profit before tax	1,132.65	623.90
Adjustments for:		
Depreciation and amortisation expense	2,026.22	1,732.18
Interest income	(124.69)	(57.05)
Finance costs	601.98	772.37
Allowances for doubtful receivables and bad debts written off (net)	121.68	242.50
Write back of liabilities	(139.97)	(192.02)
Unrealized exchange (gain)/ loss (net)	71.94	(0.52)
Amortisation of share based payment cost	1,403.27	998.03
Provision for employee benefits	435.99	272.17
Cash generated from operating activities before working capital changes	5,529.07	4,391.56
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(1,319.68)	(3,328.81)
(Increase)/ decrease in inventories	28.29	80.66
(Increase)/ decrease in financial asset	(13.15)	33.05
(Increase)/ decrease in other current asset	(609.81)	(22.15)
Increase/ (decrease) in trade payable	(799.88)	(26.57)
Increase/ (decrease) in current financial liabilities	36.82	(11.87)
Increase/ (decrease) in current liabilities	502.99	115.95
Increase/ (decrease) in provisions	(70.58)	52.43
Cash generated from operating activities before taxes	3,284.07	1,284.25
Income tax paid (net)	(175.75)	119.29
Net cash flows from operating activities (A)	3,108.32	1,403.54
B Cash flow from investing activities		
Payment towards purchase of property, plant and equipment	(244.73)	(608.80)
Payment towards purchase other intangible assets	(1,509.61)	-
Payment towards Intangible assets under development	(904.60)	-
Investment in subsidiary	(5,240.94)	-
Payment of security deposit	(32.44)	(142.11)
(Investments in)/ redemption of bank deposits (with maturity of more than three months) - (net)	(793.97)	(1,109.35)
Redemption of deposits placed with banks	-	18.86
Interest received	91.49	24.51
Net cash flows used in investing activities (B)	(8,634.79)	(1,816.89)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Year Ended 31-Mar-24	Year Ended 31-Mar-23
C Cash flow from financing activities		
Shares issued on exercise of employee stock options	1,073.97	289.39
Shares issued on preferential basis	5,034.06	1,100.00
Proceeds / (repayment) from borrowings (net)	578.39	(52.80)
Payment of lease liabilities	(987.78)	(609.02)
Finance cost	(601.98)	(772.37)
Net cash flows from / (used in) financing activities (C)	5,096.66	(44.80)
Net decrease in cash and cash equivalents during the year (A+B+C)	(429.82)	(458.15)
Cash and cash equivalents at the beginning of the year	206.78	648.18
On Account of Acquisition	556.65	-
Movement in foreign currency translation reserve	1.70	16.75
Cash and cash equivalents at the end of the year (refer note 9 (a))	335.31	206.78

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

The accompanying notes form an integral part of the consolidated financial statements 1 - 50

As per our report of even date attached

For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration No: 011410S

For and on behalf of the Board
MosChip Technologies Limited

Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSXLX4033

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Damodar Rao Gummadapu
Director
DIN : 07027779

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

Place: Hyderabad
Date: 06 May 2024

Place: Hyderabad
Date: 06 May 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

All amounts in ₹ lakhs, except share and where otherwise stated

a. Equity Share Capital

As at 1 Apr 2022		Change in equity share capital during the year		As at 31 Mar 2023	
No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
159,846,725	3,196.93	6,522,594	130.46	166,369,319	3,327.39
As at 1 Apr 2023		Change in equity share capital during the year		As at 31 Mar 2024	
No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
166,369,319	3,327.39	21,569,000	431.38	187,938,319	3,758.77

b. Other equity

Particulars	Share applica- tion money pending allotment	Reserves and surplus				Other comprehensive income		Total
		Capital reserve	Securities premium account	Share option outstanding	Retained earnings Reserve	Foreign Currency Translaion	Remeasurement of the net defined benefit plans	
Balance as at 1 April 2022	2.56	2,474.97	14,286.34	560.38	(13,974.54)	214.68	(222.90)	3,341.49
Profit for the year	-	-	-	-	617.77	-	-	617.77
Other comprehensive income (Net)	-	-	-	-	-	16.75	(150.78)	(134.03)
Total comprehensive income for the year	-	-	-	-	617.77	16.75	(150.78)	483.74
Shares issued on exercise of employee stock options	(2.02)	-	255.81	-	-	-	-	253.79
Shares issued on preferential basis	-	-	2,901.72	-	-	-	-	2,901.72
Transfer from share option outstanding account on exercise of stock options	-	-	129.76	(129.76)	-	-	-	-
Amortised amount of share based payments to employees (net)	-	-	-	998.82	-	-	-	998.82
Balance as at 31 March 2023	0.54	2,474.97	17,573.63	1,429.44	(13,356.77)	231.43	(373.68)	7,979.56
Profit for the year	-	-	-	-	988.44	-	-	988.44
Other comprehensive income (Net)	-	-	-	-	-	1.70	(261.92)	(260.22)
Total comprehensive income for the year	-	-	-	-	988.44	1.70	(261.92)	728.22
Shares issued on exercise of employee stock options	91.74	-	885.30	-	-	-	-	977.04
Shares issued on preferential basis	-	-	12,168.87	-	-	-	-	12,168.87
FCTR on account of acquisition	-	-	-	-	-	(72.45)	-	(72.45)
Transfer from share option outstanding account on exercise of stock options	-	-	501.07	(501.07)	-	-	-	-
Amortised amount of share based payments to employees (net)	-	-	-	1,402.91	-	-	-	1402.91
Balance as at 31 March 2024	92.28	2,474.97	31,128.87	2,331.28	(12,368.33)	160.68	(635.60)	23,184.15

The accompanying notes form an integral part of the Consolidated Financial Statements 1 - 50

As per our report of even date attached

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration No: 0114105

Hima Bindu Sagala

Partner

Membership No.: 231056

ICAI UDIN: 24231056BKFLX4033

Place: Hyderabad

Date: 06 May 2024

For and on behalf of the Board
MosChip Technologies Limited

Srinivasa Rao Kakumanu

Managing Director & CEO

DIN : 06726305

Jayaram Susarla

Chief Financial Officer

Damodar Rao Gummadapu

Director

DIN : 07027779

Suresh Bachalakura

Company Secretary

M. No: ACS 39381

Notes forming part of the Consolidated Financial Statements

1 Corporate information

MosChip Technologies Limited ("the Company") was incorporated in 1999 under the Companies Act, 1956 and got listed in Bombay Stock Exchange (BSE) on 2001. The registered office of the Company is situated at 7th Floor, "My Home Twitza", Hyderabad Knowledge City, Hyderabad - 500081, which is its principal place of business. As on 31 March 2024, the Company has three wholly owned subsidiary companies in India, Kingdom of Bahrain and USA.

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

The Consolidated Financial Statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on 06 May 2024.

2 Material Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis for preparation of consolidated financial statements:

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

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

2.3 Basis of consolidation

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

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

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

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

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

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

Notes forming part of the Consolidated Financial Statements

2.3 Basis of Consolidation (Continued...)

Following are the Subsidiary companies as on 31 March 2024 & 31 March 2023 and the same are consolidated for the purpose of this Consolidated Financial Statement.

Name of the Company	Country Incorporation	% Holding as on of 31 March 2024	% Holding as on of 31 March 2023
MosChip Technologies, USA (M USA)	USA	100% Subsidiary	100% Subsidiary
Moschip Institute Of Silicon Systems Private Limited (MISS)	India	100% Subsidiary	100% Subsidiary
MosChip Technologies WLL, Bahrain (M Bahrain)	Bahrain	100% Subsidiary	100% Subsidiary
Softnautics Inc *	USA	100% Subsidiary	-
Softnautics LLP *	India	100% Step-down Subsidiary	-

* Softnautics Inc & LLP was acquired on 7 June 2023.

2.4 Business combinations

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

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

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

2.5 Use of estimates:

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

Critical accounting estimates

(i) Revenue recognition

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

Judgement is also required to determine the transaction price for the contract and to describe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The

Notes forming part of the Consolidated Financial Statements

estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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

(ii) Property, plant and equipment

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

(iii) Provisions

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

(iv) Business combinations and intangible assets

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

(v) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(vi) Defined benefit plans and compensated absences

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

(vii) Expected credit losses on financial assets

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

(viii) Other estimates

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

Notes forming part of the Consolidated Financial Statements

2.6 Property, plant and equipment

Recognition and measurement

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

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

Depreciation

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

The estimated useful lives of assets are as follows:

Useful lives of depreciable assets	Useful Life (in years)
Mask tools	5
Lab equipment	5
Plant and machinery	5
Furniture and fixtures	10
Office equipment	5
Computers	3
Vehicles	10
Other Intangible assets	3 - 5

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

The estimated useful life and residual values of property, plant & equipment and intangible assets are reviewed at the end of each reporting period.

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

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

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

2.7 Leases

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

Notes forming part of the Consolidated Financial Statements

2.7 Leases (continued...)

The Group recognises right-of-use (RoU) asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The RoU 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 RoU asset. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment. RoU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

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

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

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

Goodwill and intangible assets

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

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

2.8 Impairment of assets

(i) Financial assets

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

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

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

(ii) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e.

Notes forming part of the Consolidated Financial Statements

2.8 Impairment of assets (continued..)

higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

(iii) Goodwill

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

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

2.9 Inventories

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

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

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

2.10 Revenue recognition

The Group derives revenues primarily from information technology services comprising software development, consulting and related services.

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

- (i) Revenue from time and material and job contracts is recognised on the basis of time spent, efforts expended.
- (ii) In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- (iii) Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method.
- (iv) Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- (v) License agreements that require payment of license fees contain a single performance obligation that represents ongoing access to a portfolio of intellectual property over the license term since such agreements provide the licensee the right to access a portfolio of intellectual property that exists at inception of the license agreement and to updates and new intellectual property that is added to the licensed portfolio during the term of the agreement that are highly interdependent or interrelated. Since we expect to expend efforts to develop and transfer updates to our licensed portfolio on an even or specified timeline basis, license fees are recognized as revenues on a straight-line or milestone basis over the estimated period of benefit of the license to the licensee.

Notes forming part of the Consolidated Financial Statements

2.10 Revenue recognition (continued..)

- (vi) Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
- (vii) Contract liability (unearned revenue) is recognized when there is billings in excess of revenues.
- (viii) The amount recognized as a warranty provision is based on the estimated costs that the company expects to incur to fulfil its warranty obligations. The provision is measured at its best estimate, which considers factors such as historical warranty claims, repair or replacement costs, and the experience of similar products. If the warranty costs are expected to be incurred beyond one year, the provision may be discounted to reflect the time value of money.

Interest income

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

2.11 Foreign currency transactions

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

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

2.12 Foreign operations

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

2.13 Financial instruments

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

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

(i) Non-derivative financial instruments:

Cash and cash equivalents

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

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

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

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

Notes forming part of the Consolidated Financial Statements

2.13 Financial instruments (continued..)

Financial Liabilities

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

(ii) Derecognition of financial instruments

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

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

(iii) Financial guarantee contracts

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

2.14 Employee benefits

a Defined benefit plans

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

b Defined contribution plans

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

c Compensated absences:

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

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

d Other short-term employee benefits / bonus

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

2.15 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the

Notes forming part of the Consolidated Financial Statements

2.15 Taxation (continued...)

temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

2.16 Employee stock option plans:

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

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

2.17 Earnings per share

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

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

2.18 Provisions, contingent liabilities & contingent assets

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.19 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

**3 Property, plant and equipment
Tangible assets**

Particulars	Mask tools	Electrical Installation	Leasehold improvements	Lab equipments	Plant and machinery	Furniture and fixtures	Office equipments	Computers	Vehicles	Total
Cost										
As at 1 April 2022	1,479.10	1.70	-	74.62	6.43	38.25	33.86	471.25	52.56	2,157.77
Additions / (Transfer)	-	-	-	3.37	-	-	17.38	578.65	-	599.41
Less: Deletions / adjustments	-	-	-	-	-	0.18	5.29	3.41	-	8.88
Exchange Fluctuation	-	-	-	-	-	0.09	0.13	0.34	-	0.57
As at 31 March 2023	1,479.10	1.70	-	77.99	6.43	38.16	46.08	1,046.84	52.56	2,748.87
As at 1 April 2023	1,479.10	1.70	-	77.99	6.43	38.16	46.08	1,046.84	52.56	2,748.87
Additions through business combination	-	0.14	-	-	-	0.53	5.03	22.66	-	28.37
Additions / (Transfer)	-	-	18.95	0.28	-	-	0.39	166.27	-	185.88
Less: Deletions / adjustments	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	0.02	0.02	0.23	-	0.27
As at 31 March 2024	1,479.10	1.84	18.95	78.27	6.43	38.71	51.53	1,236.00	52.56	2,963.39
Accumulated depreciation										
As at 1 April 2022	1,332.67	1.25	-	30.15	2.86	23.37	23.14	173.88	41.54	1,628.86
Charge for the year	146.42	0.45	-	16.31	3.57	14.70	10.01	234.28	9.57	435.32
Less: Deletions / adjustments	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	0.09	0.13	0.54	-	0.76
As at 31 March 2023	1,479.10	1.70	-	46.46	6.43	38.16	33.28	408.70	51.11	2,064.94
As at 1 April 2023	1,479.10	1.70	-	46.46	6.43	38.16	33.28	408.70	51.11	2,064.94
Charge for the year	-	0.03	2.47	15.27	-	0.12	10.74	345.37	1.45	375.47
Less: Deletions / adjustments	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	-	0.02	0.17	-	0.20
As at 31 March 2024	1,479.10	1.73	2.47	61.73	6.43	38.28	44.05	754.25	52.56	2,440.61
Carrying Amount										
As at 31 March 2023	-	-	-	31.53	-	-	12.80	638.14	1.45	683.93
As at 31 March 2024	-	0.11	16.48	16.54	-	0.43	7.48	481.75	-	522.78

Depreciation on property, plant and equipment is charged on straight line method as per schedule II to the Companies Act, 2013

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

4 (a) Intangible assets

Particulars	Design & development	Under development*	Total
Cost			
As at 1 April 2022	2,842.17	-	2,842.17
Additions / (Transfer)	-	-	-
Less: Deletions	-	-	-
Exchange Fluctuation	33.68	-	33.68
As at 31 March 2023	2,875.85	-	2,875.85
As at 1 April 2023			
As at 1 April 2023	2,875.85	-	2,875.85
On account of business combination	1,528.12	-	1,528.12
Development cost	-	904.60	904.60
Less: Deletions	-	-	-
Exchange Fluctuation	5.97	-	5.97
As at 31 March 2024	4,409.94	904.60	5,314.54
Accumulated amortisation			
As at 1 April 2022	2,003.43	-	2,003.43
Charge for the year	511.98	-	511.98
Deletions	-	-	-
Exchange Fluctuation	15.54	-	15.54
As at 31 March 2023	2,530.95	-	2,530.95
As at 1 April 2023			
As at 1 April 2023	2,530.95	-	2,530.95
Charge for the year	544.97	-	544.97
Deletions	-	-	-
Exchange Fluctuation	5.09	-	5.09
As at 31 March 2024	3,081.01	-	3,081.01
Carrying amount			
As at 31 March 2023	344.90	-	344.90
As at 31 March 2024	1,328.93	904.6	2,233.53

* Intangible assets under development: The Intangible assets under development mainly includes IP development of a Smart energy meter under the Vidhut project.

4 (c) Goodwill

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Gross carrying value		
Opening balance	6,889.80	6,889.80
Goodwill arising on business combination	12,710.26	-
Adjustments on account of business combination	(80.00)	-
Closing balance	19,520.06	6,889.80

Refer note 43 for details

4 (b) Right-of-use assets

Particulars	Amount
Cost	
As at 1 April 2022	1,107.47
Additions / (Transfer)	3,036.96
Less: Deletions	-
Exchange Fluctuation	-
As at 31 March 2023	4,144.43
As at 1 April 2023	
As at 1 April 2023	4,144.43
On account of business combination	143.39
Additions / (Transfer)	66.96
Less: Deletions	-
Exchange Fluctuation	1.05
As at 31 March 2024	4,355.83
Accumulated amortisation	
As at 1 April 2022	260.58
Charge for the year	784.88
Deletions	-
Exchange Fluctuation	0.83
As at 31 March 2023	1,046.29
As at 1 April 2023	
As at 1 April 2023	1,046.29
Charge for the year	1,105.78
Deletions	-
Exchange Fluctuation	0.72
As at 31 March 2024	2,152.79
Carrying amount	
As at 31 March 2023	3,098.14
As at 31 March 2024	2,203.04

4 (d) Depreciation and amortisation expense

Particulars	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Depreciation (refer note 3)	375.47	435.32
Amortisation of intangible assets (refer note 4(a))	544.97	511.98
Amortisation of Right-of-use assets (refer note 4(b))	1,105.78	784.88
Total	2,026.22	1,732.18

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
5. Trade receivables		
Non-current		
Unsecured, considered good	92.33	150.02
Less: Allowance for doubtful trade receivables	-	-
	92.33	150.02

Trade receivables ageing schedule as on 31 March 2024

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	92.33	-	-	-	-	-	92.33
	92.33	-	-	-	-	-	92.33

Trade receivables ageing schedule as on 31 March 2023

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	150.02	-	-	-	-	-	150.02
	150.02	-	-	-	-	-	150.02

6. Non current financial assets

Unsecured, considered good		
Security deposits (carried at fair value)	363.57	257.62
	363.57	257.62

7 Inventories *

Raw material		
Inventories consist of the following:		
Hardware and product component	79.98	108.27
	79.98	108.27

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

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
8 Trade receivables		
Current		
(i) Billed receivables		
Undisputed Trade receivables		
Considered good	6,263.21	5,658.88
Considered doubtful	812.71	689.37
Less: Allowance for doubtful trade receivable	(812.71)	(689.37)
Total receivables - billed	6,263.21	5,658.88
(ii) Trade receivables - unbilled	2,791.73	1,630.64
Total receivables (i+ii)	9,054.94	7,289.52

Trade receivables - ageing schedule as on 31 March 2024

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables-considered good	4,637.42	797.18	0.13	149.05	-	679.43	6,263.21
Credit impairment	-	-	-	78.22	106.97	627.52	812.71
	4,637.42	797.18	0.13	227.27	106.97	1,306.95	7,075.92
Less: Allowance for doubtful trade receivables							(812.71)
Trade receivables - billed (net)							6,263.21
Unbilled							2,791.73
Total Trade receivables							9,054.94

Trade receivables - ageing schedule as on 31 March 2023

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed Trade receivables-considered good	3,452.53	1,345.61	54.01	-	284.94	521.78	5,658.87
Credit impairment	-	-	78.22	112.48	397.10	101.58	689.38
	3,452.53	1,345.61	132.23	112.48	682.04	623.36	6,348.25
Less: Allowance for doubtful trade receivables - Billed							(689.37)
Trade receivables - billed (net)							5,658.88
Unbilled							1,630.64
Total trade receivables							7,289.52

Particulars	As at 31-Mar-24	As at 31-Mar-23
Moment in Contract assets during the year		
Opening balance	7,289.52	4131.39
Revenue recognised that was included in the contract liability balance at the beginning of the year	29,391.43	19,835.54
Amount received during the year	27,626.01	16,677.41
Closing balance	9,054.94	7,289.52

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
9 (a) Cash and cash equivalents		
Balances with banks:		
- in current account	335.31	206.78
	335.31	206.78
9 (b) Other bank balances		
Margin money deposits with original maturities of less than 1 year (refer note (i) below)	21.95	8.69
Term deposits with Banks with original maturities of less than 1 year (refer note (ii) below)	1,885.58	1,104.98
Other deposits	8.33	8.22
Total Other bank balances	1,915.86	1,121.89
(i) Balances held as margin money/security deposit represents the deposits lodged with banks against guarantees issued by them.		
(ii) Balance held as collateral security against bank cash credit		
10 Other financial assets - current		
Unsecured		
Security deposits (gross)	994.83	994.81
Less: Allowance for doubtful deposits	(264.48)	(264.48)
Security deposits (net)	730.35	730.33
Interest accrued on fixed deposit but not due	66.00	32.80
	796.35	763.13
11 Current tax assets (net)		
Balances with Government authorities		
Tax Deducted at Source (TDS)	357.48	351.28
	357.48	351.28
12 Other current assets		
Unsecured, considered good		
Advances to employees	2.09	-
Indirect tax recoverable	105.48	3.58
Advance to vendors	26.18	22.08
Prepaid expenses	567.94	190.54
	701.69	216.20
13 Equity share capital		
Authorised		
282,755,000 (31 March 2023: 282,755,000) equity shares of ₹ 2 each	5,655.10	5,655.10
Issued, subscribed and fully paid-up		
188,135,799(31 March 2023: 166,566,789) equity shares of ₹ 2 each fully paid-up	3,762.72	3,331.34
Less: 197,470 (31 March 2023: 197,470) Equity shares of ₹ 2 each fully paid-up issued to MosChip ESOP Trust	(3.95)	(3.95)
Adjusted: Issued, subscribed and fully paid-up	3,758.77	3,327.39

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

(a) Reconciliation of number of equity shares and amount outstanding

Particulars	As at 31-Mar-24		As at 31-Mar-23	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	166,566,789	3,331.34	160,044,195	3,200.88
Issued during the year				
On account of				
(i) Preferential issue	16,722,598	334.45	4,914,004	98.28
(ii) ESOPs	4,846,412	96.93	1,608,590	32.18
Total	188,135,799	3,762.72	166,566,789	3,331.34
Less: Equity shares of ₹ 2 each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	197,470	3.95	197,470	3.95
Adjusted : Issued, Subscribed and paid up share capital	187,938,329	3,758.77	166,369,319	3,327.39

(b) Terms / Rights, preferences and restrictions attached to the equity shares

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

(c) Number of shares held by each shareholder holding more than 5 % of the equity shares of the Company are as follows:

Particulars	As at 31-Mar-24		As at 31-Mar-23	
	No. of equity shares held	% of total shares #	No. of equity shares held	% of total shares #
Mayuka Holdings Private Limited	84,839,942	45.10%	84,839,942	50.93%

This percentage of holding is presented with reference to issued, subscribed and paid up

(d) Changes in promoters shareholding during the year

Sl. No.	Name of the Promoter	As at 31-Mar-24			As at 31-Mar-23		
		No. of equity Shares	% holding	% of changes during the year	No. of equity Shares	% holding	% of changes during the year
1	Mayuka Holdings Private Limited	84,839,942	45.10%	-	84,839,942	50.93%	3.81%
2	Mr. Rama Chandra Reddy Kadiri	3,990,778	2.12%	-39.31%	6,575,864	3.95%	-
3	Mrs. K. Pratibha Reddy	398	-	-	398	-	-
4	Mr. Damodar Rao Gummadapu	204,000	0.11%	-	204,000	0.12%	-

(e) Of the above, 18,351,568 (31 March 2023: 13,599,070) equity shares issued as fully paid for consideration other than cash in connection with acquisition of subsidiaries pursuant to scheme of arrangements in preceding 5 years.

(f) 84,839,942 equity shares are held by the parent company viz., Mayuka Holdings Private Limited.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
14 Other equity		
(a) Capital reserve		
Opening balance	2,474.97	2,474.97
Forfeiture of share warrants	-	-
Closing balance	2,474.97	2,474.97
(b) Share application money pending allotment		
Opening balance	0.54	2.56
Add: Receipt on exercise of stock options	91.74	(2.02)
Closing balance	92.28	0.54
(c) Securities premium		
Opening balance	17,573.63	14,286.34
Transfer from share option outstanding account on exercise of stock options	501.07	129.76
Receipts on exercise of stock options	885.30	255.81
Issue of fresh equity shares on preferential basis	12,168.87	2,901.72
Closing balance	31,128.87	17,573.63
(d) Share option outstanding account		
Opening balance	1,429.44	560.38
Add: Amortisation of Share based payment cost	1,402.91	998.82
Less: Transfer from share option outstanding account on exercise of stock options	(501.07)	(129.76)
Closing balance	2,331.28	1,429.44
(e) Retained earnings		
Opening balance	(13,356.77)	(13,974.54)
Add: Reclassification of actuarial gain / loss to retained earning	-	-
Add: Profit for the year	988.44	617.77
Closing balance	(12,368.33)	(13,356.77)
(f) Other comprehensive income		
(i) Remeasurement of the net defined benefit plans		
Opening balance	(373.68)	(222.90)
Additions during the year	(261.92)	(150.78)
Closing balance	(635.60)	(373.68)
(ii) Foreign currency translation reserve (FCTR)		
Opening balance	231.43	214.68
On account of business combination	(72.45)	-
Additions during the year	1.70	16.75
Closing balance	160.68	231.43
Total other equity (a)+(b)+(c)+(d)+(e)+(f)	23,184.15	7,979.56

Description of reserves

- (a) **Capital reserve:** This reserve was created towards the forfeiture of monies received for share warrants issued in earlier years.
- (b) **Share application money pending allotment:** Represents the amount of adjustments towards issue of employee stock options.
- (c) **Securities premium:** Consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.
- (d) **Share option outstanding account:** Represents the fair value of services received against employees stock options outstanding as at balance sheet date. These will be transferred to securities premium account after the exercise of the underlying options.
- (e) **Retained earnings:** Represents previous years undistributed profits / losses.
- (f) **Other comprehensive income:**
- Represents the actuarial gain / (loss) recognised on defined benefit plans and will not be reclassified to retained earning.
 - The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
15 Borrowings		
Non current		
Measured at amortised cost		
Secured		
Vehicle loans		
- From banks (refer note (i) below)	-	3.79
Unsecured		
- From banks (refer note (ii) below) *	99.68	166.50
- From holding company (refer note (iii) below) *	654.61	1,239.37
	754.29	1,409.66
i. Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly instalments over a period of 7 years commenced from May'17 and carry interest rate at 9.4 % per annum.		
ii. The bank has sanctioned ₹ 288 lakhs in FY2020-21 and ₹ 129 lakhs in FY 2022-23 loan in under the scheme of Guaranteed Emergency Credit Line (GECL) with interest rate of 8.25%, which will be paid over a period of 36 months from Aug'21 and Jul'24 respectively.		
iii. Unsecured loan from IQuest Enterprises Private Limited will be repaid in 42 monthly instalments starting from Oct'22.		
*Current maturities are included in Note 19 - current borrowings.		
16 Non current lease liabilities		
Lease liability (refer note 38)	1,314.67	2,187.78
	1,314.67	2,187.78
17 Other financial liabilities		
Non current		
Royalty payable	-	80.00
	-	80.00
18 Provisions		
Non - current		
(i) Provision for employee benefits		
- Gratuity (refer note 36)	1,096.09	656.39
- Compensated absences	408.98	272.13
	1,505.07	928.52
19 Borrowings		
Secured, Current		
Short-term borrowings		
Working capital loans		
- From banks (refer note (i) below)	3,099.61	1,908.77
Current maturities of long-term borrowings (refer note ii)		
Secured		
- From banks	3.70	3.70
Unsecured		
- From related parties (refer note 34 & (ii) below)	584.75	508.77
- From banks	67.05	100.12
	3,755.12	2,521.36

Note

- The Company has obtained cash credit facility from bank for an amount of ₹ 3,000 lakhs, which is secured by charge on time deposits and book debts of the Company and third party offered as collateral security.
- Current maturities of long term loans refer note 15.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
20 Current - lease liabilities		
Lease liabilities (refer note 38)	1,124.95	1,075.02
	1,124.95	1,075.02
21 Trade payables		
(a) Dues of micro and small enterprises (refer note 37)	67.73	54.50
(b) Dues other than (a) above	1,425.52	1,299.53
	1,493.25	1,354.03

Trade payables ageing schedule for the year ended 31 March 2024

Particulars	Not Due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	67.73	-	-	-	-	67.73
(ii) Others	300.70	110.76	11.57	1.59	315.34	739.96
Total	368.43	110.76	11.57	1.59	315.34	807.69
Accrued expenses - Others						685.56
Total Payables						1,493.25

Trade payables ageing schedule for the year ended 31 March 2023

Particulars	Not Due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	54.50	-	-	-	-	54.50
(ii) Others	142.94	157.59	2.48	16.12	468.82	787.95
Total	197.44	157.59	2.48	16.12	468.82	842.45
Accrued expenses - Others						511.58
Total payables						1,354.03

	As at 31-Mar-24	As at 31-Mar-23
22 Others - current financial liabilities		
Creditors for supplies	43.59	6.77
	43.59	6.77
23 Other current liabilities		
Statutory remittances	502.97	363.87
Unearned revenue	404.80	2.80
	907.77	366.67

24 Current Tax Liabilities (Net)		
Income Tax payable	32.09	-
	32.09	-

25 Provisions (current)		
Provision for employee benefits		
- Gratuity (refer note 36)	203.99	133.73
- Compensated absences	171.50	110.99
	375.49	244.72

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	Year ended 31-Mar-24	Year ended 31-Mar-23
26 Revenue from operations		
Semiconductor	23,134.54	17,079.21
Embedded	6,256.89	2,756.33
	29,391.43	19,835.54

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the years ended March 31, 2024 and March 31, 2023, respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue by contract type

- Time and material	21,825.79	15,246.36
- Fixed price	7,565.64	4,589.18
Total	29,391.43	19,835.54

Revenues by geography

- North America	15,265.97	9,234.72
- Asia Pacific (including India)	14,125.46	10,600.82
Total	29,391.43	19,835.54

Fixed price:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue is recognised when such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

Time and material:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. [Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.]

27 Other income

Interest on:

- Bank deposits	110.41	34.10
- Income-tax refund	14.28	22.95
- Financial assets	44.95	38.10
Foreign exchange gain (net)	-	181.79
Write back of liabilities	-	194.37
Others or Miscellaneous	153.90	25.48
	323.54	496.79

28 Cost of materials consumed

Opening balance	108.27	188.93
Add: Purchases during the year	2,440.30	68.12
Less: closing stock	79.98	108.27
	2,468.59	148.78

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	Year ended 31-Mar-24	Year ended 31-Mar-23
29 Operating Cost		
Outsourcing Services	1647.21	898.71
EDA tools cost	905.31	473.92
	2,552.52	1,372.63
30 Employee benefits expense		
Salaries, wages and bonus	17,628.33	13,152.35
Contribution to provident and other funds	237.05	192.56
Gratuity expenses (refer note 36)	275.71	139.66
Share based payment to employees (refer note 40)	1,403.27	998.03
Staff welfare expenses	347.80	241.91
	19,892.16	14,724.51
31 Finance costs		
Interest on:		
- Working capital loan	181.05	134.75
- Other loans	236.97	475.82
- Lease liabilities	156.16	145.97
Bank charges	27.80	15.83
	601.98	772.37

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	Year ended 31-Mar-24	Year ended 31-Mar-23
32 Other expenses		
Professional charges	124.64	196.26
Travelling and conveyance	205.52	145.71
Rental expenses:		
- Buildings (refer note 38)	46.02	54.49
- Rent on equipment	63.51	42.81
Software expenses	82.94	51.63
Office maintenance	31.05	41.87
Rates and taxes	35.63	32.21
Communication expenses	32.17	26.25
Auditors remuneration (refer note (i) below)	35.94	26.23
Subscription charges	9.64	24.69
Director sitting fee	38.00	20.10
Business promotion and advertisement expenses	40.92	18.67
Repairs and maintenance	9.35	9.10
Insurance	9.32	8.03
Power and fuel	14.18	6.77
Printing and stationery	4.19	4.81
Postage, telegram and telephone expenses	2.04	3.67
Security expenses	-	2.16
Expenditure for corporate social responsibility (refer note (ii) below)	8.95	-
Foreign exchange loss (net)	125.16	-
Allowances for doubtful receivables	121.68	234.27
Bad debts written off	-	8.23
	1,040.85	957.96
Note (i) Remuneration to Auditors		
Statutory audit fee	19.24	11.47
Tax audit fee	1.55	1.25
Other services (incl. limited reviews)	15.15	13.51
Total	35.94	26.23
Note (ii) Details of Corporate social responsibility (CSR) expenditure:		
As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities of the Company mainly encompass activities relating to promoting education.		
During the year, the Company has met the criteria, as per Section 135 of the Act and has constituted a CSR Committee during the year. The CSR committee has identified "Promoting Education" as the key activity towards CSR. Accordingly the following are the details of CSR spend during the year.		
(b) Details of expenditure on Corporate Social Responsibility:		
(i) Gross amount required to be spent by the Company during the year	8.95	-
(ii) Amount approved by the Board to be spent during the year	8.95	-
(iii) Amount spent during the year (in cash)		
- Construction/ acquisition of any asset	-	-
- On purpose other than above	8.95	-
(iv) Shortfall at the end of the year	NA	-
(v) Total of previous years shortfall	NA	-
(vi) Reason for shortfall	NA	-
(vii) Nature of CSR activities	Promoting education	
(viii) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	Nil	-
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	NA	-

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
33. Contingent liabilities and commitments		
i) Contingent liabilities		
- Bank guarantees issued for Government projects	21.95	8.69
- Claims against the Company not acknowledged as debt (refer note below)	1,057.93	1,057.93
The Company disputed demand raised by Income-Tax authorities for the Assessment year 2019-20 which are pending before Commissioner (Appeals). The aggregate amount of disputed tax not provided for is ₹ 1,057.93 (31 March 2023 - ₹ 1,057.93).		

34 Related party disclosures

a) Name of the related party and the nature of its relationship with the Group:

Name of the Parties	Relationship as on 31 March 2024
Mayuka Holdings Private Limited	Holding Company
I Quest Enterprises Private Limited	Ultimate Holding Company
Directors and relatives *	
Mr. Damodar Rao Gummadapu	Non-Executive Director
Mr. K Ramachandra Reddy **	Non-Executive Director
Mr. K.Pradeep Chandra	Independent Director
Mr. D.G.Prasad	Independent Director
Mrs. Madhurika Nalluri Venkat	Independent Director
Mr. Rajeev Krishnamoorthy ***	Independent Director
Mr. G. V. Pranav Reddy ****	Non-Executive Director
Mr. Vinayendra Parvathaneni ****	Non-Executive Director
Mrs. Asha Nimmagadda	Relative of KMP of Holding company
Key Management Personnel and Relatives *	
Mr. Venkata Sudhakar Simhadri - Managing Director and Chief Executive Officer *****	Key Management Personnel
Mr. Srinivasa Rao Kakumanu - Managing Director and Chief Executive Officer *****	Key Management Personnel
Mr. Jayaram Susarla - Chief Financial Officer	Key Management Personnel
Mr. Suresh Bachalakura - Company Secretary	Key Management Personnel
Others *	
Smilax Corporate Services LLP	Common Director in Holding company
Techwave Holdings PTE LTD	Director has significant influence

* In terms of Para 18 of Ind AS 24, the above list represents only the Companies, directors, KMP's and relatives, who are having transactions with the Group

** Mr.K.Ram Chandra Reddy resigned effective from 1 May 2023

*** Mr. Rajeev Krishnamoorthy resigned effective from 29 January 2024

**** Mr. G. V. Pranav Reddy and Mr. Vinayendra Parvathaneni appointed as Non-Executive Directors w.e.f 04 November 2023.

***** Mr. Venkata Sudhakar Simhadri completed his tennure by 25 October 2023.

***** Mr. Srinivasa Rao Kakumanu appointed on 26 October 2023.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
b) Details of all transactions with related parties during the year:		
Loans repayment		
Mayuka Holdings Private Limited	508.77	202.81
Issue of equity shares		
Mayuka Holdings Private Limited (Conversion of loan) *	-	1,900.00
Smilax Corporate Services LLP	-	1,100.00
Interest expenses		
Mrs. Asha Nimmagadda	24.06	62.70
Mayuka Holdings Private Limited	20.39	413.12
I Quest Enterprises Private Limited	192.52	-
Other Income		
Techwave Infotech Private Limited	-	191.65
Techwave Holdings PTE LTD	-	0.37
Transactions with Key Management Personnel		
Remuneration to Managing Director and CEO	540.44	320.00
Number of Stock Options Granted/outstanding to Managing Director and CEO	12.00	12.00
Remuneration to other Key Management Personal (including perquisite on exercise of ESOP options)	215.95	110.65
Number of Stock Options Granted/outstanding to Key Management Personnel	7.86	8.91

* Pursuant to the loan agreement, mutually agreed between Mayuka and the Company, the loan of ₹ 1,900 amount was converted to 3,112,203 equity shares of ₹ 2 with the premium of ₹ 59.02 and the balance amount will be repaid in 42 monthly instalments from Oct'22.

Particulars	As at 31-Mar-24	As at 31-Mar-23
c) Balances outstanding: (payable) / receivable		
Trade and other payables		
Techwave Infotech Private Limited	(300.00)	(300.00)
Loan & Interest Payable		
I Quest Enterprises Private Limited*	(1,239.37)	-
Mayuka Holdings Private Limited*	-	(1,748.14)

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail at arm's length and in ordinary course of business. Outstanding balances at the year-end are unsecured.

* In FY2023-24 unsecured loan amount transferred to I Quest Enterprise Pvt. Ltd.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

35 Segment information

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

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

Information on reportable segments for the year ended 31 March 2024 and 31 March 2023 is given below

A) Business Segment

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Revenue		
Semiconductor	23,134.54	17,079.21
Embedded	6,256.89	2,756.33
Total	29,391.43	19,835.54
Direct cost		
Semiconductor	17,284.37	11,569.59
Embedded	5,625.41	3,084.86
Segment operational income		
Semiconductor	5,850.17	5,509.62
Embedded	631.48	(328.53)
Total operational income	6,481.65	5,181.09
Other income	323.54	496.79
Un allocated expenses	(3,044.34)	(2,549.43)
Finance cost	(601.98)	(772.37)
Depreciation and amortisation expenses	(2,026.22)	(1,732.18)
Profit before tax	1,132.65	623.90
Tax expenses	144.21	6.13
Profit after tax	988.44	617.77

Statement of Segment assets and segment liabilities

Particulars	As at 31-Mar-24	As at 31-Mar-23
Segment assets		
Semiconductor	18,392.56	12,757.53
Embedded	13,436.85	3,452.14
Un allocable segment assets	6,419.80	5,271.81
Total	38,249.21	21,481.48
Segment liabilities		
Semiconductor	676.42	701.98
Embedded	124.84	59.06
Un allocable segment Liabilities	10,505.03	9,413.49
Total	11,306.29	10,174.53
Capital employed	26,942.92	11,306.95

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

35 Segment information (continued..)

B. Secondary Segment information

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
1. Information regarding geographical revenue is as follows:		
Within India	14,125.46	10,600.82
Outside India	15,265.97	9234.72
Total	29,391.43	19,835.54

Particulars	As at 31-Mar-24	As at 31-Mar-23
2. Information regarding geographical non-current assets is as follows:		
Within India	24,947.88	11,268.28
Outside India	59.72	156.13
Total	25,007.60	11,424.41

Management believes that it is currently not practicable to provide disclosure of geographical location wise assets, since the meaningful segregation of available information is onerous.

36 Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under:

i. Defined contribution plans

The Group makes contributions to Provident Fund which is defined contribution plans for qualifying employees. Under these Schemes, the Group contributes a specified percentage of the payroll costs to the respective funds.

The Group has recognized as expense in the Statement of Profit and Loss ₹ 230.35 (31 March 2023: ₹ 180.89) towards Provident Fund contributions.

ii. Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Group operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded

Changes in Defined Benefit Obligation ('DBO') and planned assets recognized in the Balance Sheet are as under

Particulars	As at 31-Mar-24	As at 31-Mar-23
Defined benefit obligation at the beginning of the year	805.58	570.21
Service cost	214.45	113.31
Interest cost	61.25	26.35
Benefits paid	(110.11)	(56.38)
Actuarial gain	263.61	152.09
Additions through business combinations	93.38	-
Defined benefit obligation at the end of the year	1,328.16	805.58

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

36 Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under: (continued)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Change in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	15.46	22.32
Employer contributions	121.11	48.21
Actuarial (gain)/loss on plan assets	1.63	1.31
Benefits Paid	(110.11)	(56.38)
Fair value of plan assets at the end of the year	28.09	15.46
Present value of projected benefit obligation at the end of the year	1,328.16	805.58
Fair value of plan assets at the end of the year	28.09	15.46
Net liability recognised in the balance sheet	1,300.07	790.12
Non Current	1,096.09	656.39
Current	203.99	133.73

Expenses recognised in statement of profit and loss

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Service cost	214.45	113.31
Interest cost	61.26	26.35
Expenses recognised in statement of profit and loss	275.71	139.66
Gratuity cost		
Actuarial gain / (loss) due to financial assumption changes	22.77	(87.66)
Actuarial gain / (loss) due to experience adjustments	210.48	180.92
Actuarial gain / (loss) due to change in demographic assumptions	8.80	58.83
Return on plan assets greater (less) than discount rate	19.87	(1.31)
Total expenses routed through OCI	261.92	150.78

Particulars	As at 31-Mar-24	As at 31-Mar-23
Assumptions		
Discount rate	7.15%	7.55%
Future salary increases	7.00%	7.00%
Employee turnover		
Age (years)		
21-30	15.00%	15.00%
31-40	23.00%	23.00%
41-50	19.00%	19.00%
51-59	24.00%	24.00%

Particulars	As at 31-Mar-24	As at 31-Mar-23
Sensitivity analysis		
Quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows		
Effect of + 0.5% change in rate of discounting	(2.24)%	(2.23)%
Effect of - 0.5% change in rate of discounting	2.10%	2.16%
Effect of + 0.5% change in rate of salary increase	2.34%	2.32%
Effect of - 0.5% change in rate of salary increase	(2.06)%	(2.11)%
The sensitivity results above determine their individual impact on defined benefit obligation.		

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

36 Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under: (continued)

The expected maturity analysis of undiscounted defined benefit obligation (Funded and unfunded) is as follows:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Within 1 year	233.14	149.18
Between 1 - 2 years	216.94	141.19
Between 2 - 3 years	207.33	130.61
Between 3 - 4 years	194.37	120.05
Between 4 - 5 years	175.44	107.36
Beyond 5 years	937.18	543.89

37 Dues to Micro, small and medium enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at, March 31, 2024 and March 31, 2023 is as under:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Dues remaining unpaid to any supplier		
Principal amount remaining unpaid less than 45 days	67.73	54.50
Interest due thereon for the year	-	-
(a) Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(b) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(c) Amount of interest accrued and remaining unpaid.	-	-
(d) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006*	-	-

38 Leases

(a) The Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
(b) Lease expenses recognised in Statement of Profit and Loss		
Expenses relating to short term leases (refer note 32)	46.02	54.49
Expenses relating to low value assets, excluding short term leases low value assets	46.02	54.49
(c) The movement in lease liabilities is as follows:		
Opening balance	3,262.80	877.50
Additions	-	2,994.32
Finance cost for the year	156.16	145.97
Payment of lease liabilities	(979.34)	(754.99)
Balance at the end	2,439.62	3,262.80

Notes forming part of the Consolidated Financial Statements

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

38 Leases (continued..)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
(d) The details of the contractual maturities of lease liabilities on an discounted basis are as follows:		
Less than one year	1,124.95	1,075.02
One to five years	1,314.67	2,187.78
Total	2,439.62	3,262.80
(e) The total cash outflow for leases (excluding short term leases) for the year ended 31 March 2024 is Rs. 979.34 (31 March 2023: Rs. 754.99)		

39 Earnings per share

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

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

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Profit for the year	988.44	617.77
Profit attributable to equity share holders	988.44	617.77
Equity Shares outstanding as at the end of the year (in nos.)	188,135,799	166,566,789
Weighted average number of Equity Shares used as a denominator for calculating basic earnings per share	179,623,046	162,904,220
Add: Dilutive impact of employee stock options	11,907,834	11,749,763
Number of Equity Shares used as denominator for calculating diluted earnings per share	191,530,880	174,653,984
Earnings per share of par value ₹ 2 – Basic (₹)	0.55	0.38
Earnings per share of par value ₹ 2 – Diluted (₹)	0.52	0.35

40 Employee stock option plans (ESOP)

The Employee Stock Option Plans are designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The Group has established eight schemes i.e., Employee Stock Option Plan, MosChip Stock Option Plan 2005 (MI), MosChip Stock Option Plan 2005 (WOS), MosChip Stock Option Plan 2008, MosChip Stock Option Plan 2008(ALR), MosChip Stock Option Plan 2008(Director) and MosChip Stock Option Plan 2018, MosChip Stock Option Plan 2022, with 600,000 equity shares, 500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares 10,000,000 equity shares and 10,000,000 equity shares respectively.

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

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

Out of above plans the Group has granted options during the year ended 31 March 2024 in Moschip Stock Option Plan 2022.

For year ended 31 March 2024						
Particulars	Options outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the period	Options outstanding at the end of the year
MosChip Stock Option Plan 2008	849,467	-	39,250	340,953	-	469,264
Moschip Stock Option Plan 2005 (MI)	99,953	-	-	99,953	-	-
Moschip Stock Option Plan 2005 (WOS)	305,570	-	-	42,500	-	263,070
Moschip Stock Option Plan 2008 (ALR)	368,461	-	3,000	105,335	-	260,126
Moschip Stock Option Plan 2008 (Director)	1,000,000	-	-	1,000,000	-	-
MosChip Stock Option Plan 2018	7,405,177	-	331,813	2,847,021	-	4,226,343
MosChip Stock Option Plan 2022	6,421,672	2,813,700	609,092	410,650	-	8,215,630

Notes forming part of the Consolidated Financial Statements

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

For year ended 31 March 2023						
Particulars	Options outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the period	Options outstanding at the end of the year
MosChip Stock Option Plan 2008	1,055,089	156,500	76,250	285,872	-	849,467
Moschip Stock Option Plan 2005 (MI)	131,619	-	-	31,666	-	99,953
Moschip Stock Option Plan 2005 (WOS)	286,250	45,070	12,000	13,750	-	305,570
Moschip Stock Option Plan 2008 (ALR)	605,334	-	38,585	198,288	-	368,461
Moschip Stock Option Plan 2008 (Director)	1,000,000	-	-	-	-	1,000,000
MosChip Stock Option Plan 2018	7,920,449	1,866,975	1,303,233	1,079,014	-	7,405,177
MosChip Stock Option Plan 2022	-	6,768,092	346,420	-	-	6,421,672

During the year a reserve was made towards outstanding of ESOP's and Share based payment expenses for the year ended 31 March 2024 of ₹ 1,141.30 (31 March 2023 ₹ 998.03).

The weighted average grant date fair value of the options granted during the years ended 31 March 2024 and 31 March 2023 was ₹ 94.59 and ₹ 77.77 per option respectively.

The weighted average share price at the date of exercise of options exercised during the years ended 31 March 2024 was ₹ 82.48 (31 March 2023 – ₹ 61.82) per share, respectively.

The aggregate intrinsic value of options exercised during the years ended 31 March 2024 and 31 March 2023 was ₹ 61.58 and ₹ 43.74, respectively

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2024

Grant date	Vesting period	Excise price	Share options	Weighted average remaining useful life (months)
26-Oct-18	4 Years	18.00	74,500	-
20-Jul-20	3 Years	16.00	896,388	-
25-Jan-21	4 Years	16.00	200,000	10
27-Apr-21	4 Years	18.00	75,000	13
20-Jul-21	4 Years	24.00	985,375	16
20-Oct-21	4 Years	31.28	82,750	18
17-Jan-22	4 Years	40.00	1,080,000	22
28-Apr-22	4 Years	40.00	211,050	25
14-Jul-22	4 Years	40.00	378,290	28
25-Oct-22	4 Years	40.00	6,114,940	31
25-Jan-23	4 Years	40.00	523,062	34
25-May-23	4 Years	50.00	346,200	38
17-Jul-23	4 Years	50.00	30,000	39
4-Nov-23	4 Years	50.00	2,383,000	43

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2023

Grant date	Vesting period	Excise price	Share options	Weighted average remaining useful life (months)
26-Oct-18	4 Years	18.00	1,280,000	-
20-Jul-20	3 Years	16.00	3,485,348	4
25-Jan-21	4 Years	16.00	300,000	22
27-Apr-21	4 Years	18.00	112,500	25
20-Jul-21	4 Years	24.00	1,406,125	28
20-Oct-21	4 Years	31.28	107,500	30
17-Jan-22	4 Years	40.00	1,370,000	34
28-Apr-22	4 Years	40.00	230,575	37
14-Jul-22	4 Years	40.00	447,010	40
25-Oct-22	4 Years	40.00	7,021,030	43
25-Jan-23	4 Years	40.00	690,212	46

Notes forming part of the Consolidated Financial Statements

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

40 Employee Stock Option Plans (Continued..)

Valuation of stock options:

The fair value of services received in return for stock options granted to employees is measured by reference to the fair value of stock options granted. The fair value of stock options granted under various schemes have been measured using the Black-Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of par value options granted, the expected term of an option (or "option life") is estimated based on the vesting term and contractual term, as well as the expected exercise behaviour of the employees receiving the option. In respect of fair market value options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Group's publicly traded equity shares. Dividend yield of the options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Group's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years.

The estimated fair value of stock options is recognised in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The model inputs for options granted during the year ended 31 March 2024 included:

Grant date	Vesting period	Expiry Date	Excise Price	Share Price at	Expected price volatility of company's shares	Expected dividend yield	Risk free interest rate
26-Oct-18	4 Years	25-Oct-25	18.00	23.50	53%	-	8.04%
20-Jul-20	3 Years	19-Jul-26	16.00	14.80	55%	-	4.55%
25-Jan-21	4 Years	24-Jan-28	16.00	15.00	61%	-	4.58%
27-Apr-21	4 Years	26-Apr-28	18.00	30.85	60%	-	4.58%
20-Jul-21	4 Years	19-Jul-28	24.00	44.96	68%	-	4.58%
20-Oct-21	4 Years	19-Oct-28	31.28	47.55	66%	-	4.58%
17-Jan-22	4 Years	16-Jan-29	40.00	81.05	68%	-	5.21%
28-Apr-22	4 Years	27-Apr-29	40.00	62.60	66%	-	5.31%
14-Jul-22	4 Years	13-Jul-29	40.00	54.35	67%	-	5.37%
25-Oct-22	4 Years	24-Oct-29	40.00	67.50	58%	-	7.13%
25-Jan-23	4 Years	24-Jan-30	40.00	66.33	55%	-	7.06%
25-May-23	4 Years	24-May-30	50.00	61.04	51%	-	7.00%
17-Jul-23	4 Years	16-Jul-30	50.00	106.44	53%	-	7.00%
4-Nov-23	4 Years	3-Nov-30	50.00	84.31	50%	-	7.23%

The model inputs for options granted during the year ended 31 March 2023 included:

Grant date	Vesting period	Expiry Date	Excise Price	Share Price at	Expected price volatility of company's shares	Expected dividend yield	Risk free interest rate
26-Oct-18	4 Years	25-Oct-25	18.00	23.50	53%	-	8.04%
20-Jul-20	3 Years	19-Jul-26	16.00	14.80	55%	-	4.55%
25-Jan-21	4 Years	24-Jan-28	16.00	15.00	61%	-	4.58%
27-Apr-21	4 Years	26-Apr-28	18.00	30.85	60%	-	4.58%
20-Jul-21	4 Years	19-Jul-28	24.00	44.96	68%	-	4.58%
20-Oct-21	4 Years	19-Oct-28	31.28	47.55	66%	-	4.58%
17-Jan-22	4 Years	16-Jan-29	40.00	81.05	68%	-	5.21%
28-Apr-22	4 Years	27-Apr-29	40.00	62.60	66%	-	5.31%
14-Jul-22	4 Years	13-Jul-29	40.00	54.35	67%	-	5.37%
25-Oct-22	4 Years	24-Oct-29	40.00	67.50	58%	-	7.13%
25-Jan-23	4 Years	24-Jan-30	40.00	66.33	55%	-	7.06%

As of 31 March 2024 and 31 March 2023, there was ₹ 2,014.12 and ₹ 2,626.34 respectively of total unrecognised compensation cost related to unvested stock options this cost is expected to be recognised over a weighted average period of 22.71 months and 28.73 months, respectively.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

41 Financial risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

(a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 is as follows:

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	At cost cost	Amortised cost	Total carrying value *
Financial asset					
Trade receivables	92.33	-	-	9,054.94	9,147.27
Others Financial Asset - non current	363.57	-	-	-	363.57
Cash and cash equivalents	-	-	-	335.31	335.31
Other bank balances	-	-	-	1,915.86	1,915.86
Other financial assets - Current	-	-	-	796.35	796.35
Total	455.90	-	-	12,102.46	12,558.36
Financial liabilities					
Borrowings - long term	-	-	-	754.29	754.29
Lease liabilities - non current	-	-	-	1,314.67	1,314.67
Borrowings - short term	-	-	-	3,755.12	3,755.12
Current liabilities - Lease liabilities	-	-	-	1,124.95	1,124.95
Trade payables	-	-	-	1,493.25	1,493.25
Other financial liabilities - Current	-	-	-	43.59	43.59
Total	-	-	-	8,485.87	8,485.87

The carrying value and fair value of financial instruments by categories as at March 31, 2023 is as follows:

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	At cost cost	Amortised cost	Total carrying value *
Financial asset					
Trade receivables	150.02	-	-	7,289.52	7,439.54
Other Financial Asset - Non Current	257.62	-	-	-	257.62
Cash and cash equivalents	-	-	-	206.78	206.78
Other bank balances	-	-	-	1,121.89	1,121.89
Other financial assets - Current	-	-	-	763.13	763.13
Total	407.64	-	-	9,381.32	9,788.96
Financial liabilities					
Borrowings - long term	-	-	-	1,409.66	1,409.66
Lease liabilities - non current	-	-	-	2,187.78	2,187.78
Other Financial liabilities - Non Current	-	-	-	80.00	80.00
Borrowings -short term	-	-	-	2,521.36	2,521.36
Lease liabilities - current	-	-	-	1,075.02	1,075.02
Trade payables	-	-	-	1,354.03	1,354.03
Other financial liabilities - Current	-	-	-	6.77	6.77
Total	-	-	-	8,634.62	8,634.62

*The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled receivables, loans, trade payables, borrowing and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

41 Financial risk management framework (continued)

(b) Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with interest rates.

Interest rate sensitivity

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2024 would decrease/(increase) by ₹ 37.09 (31 March 2023: decrease/increase by ₹ 43.38). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 12,558.36 and ₹ 9,788.96 as of 31 March 2024 and 31 March 2023 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each Balance Sheet date whether a financial asset or a Group of financial assets is impaired.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss allowance is based on the ageing of receivables and the rates in the provision matrix. Movement in the expected credit loss allowance is as follows:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Balance at the beginning of the year	689.37	461.90
Add: Provision created during the year	121.68	234.27
Reversed/utilised during the year	-	(8.23)
Translation Adjustment	1.66	1.44
Balance at the end of the year	812.71	689.37

Concentration risk

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks with high credit ratings assigned by credit rating agencies."Trade receivable - The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is a single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

41 Financial risk management framework (continued)

The following are the details of contractual maturities of significant financial transactions

Particulars	Less than 1 year	1-3 years	3 to 5 years	> 5 years	Total
Year ended 31 March 2024					
Borrowings - long term	-	742.27	12.02	-	754.29
Lease liabilities - non current	-	1,189.92	124.75	-	1,314.67
Borrowings - short term	3,755.12	-	-	-	3,755.12
Lease liabilities - current	1,124.95	-	-	-	1,124.95
Trade payables	1,493.25	-	-	-	1,493.25
Other Financial Liabilities - Current	43.59	-	-	-	43.59
Year ended 31 March 2023					
Borrowings - long term	-	1,348.73	60.93	-	1,409.66
Lease liabilities - non current	-	2,063.03	124.75	-	2,187.78
Other Financial Liabilities - long term	80.00	-	-	-	80.00
Borrowings - short term	2,521.36	-	-	-	2,521.36
Lease liabilities - Current	1,075.02	-	-	-	1,075.02
Trade payables	1,354.03	-	-	-	1,354.03
Other Financial Liabilities - current	6.77	-	-	-	6.77

42. Capital Management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2024 and 31 March 2023 was as follows:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Total equity attributable to the equity shareholders of the Group	26,942.92	11,306.95
As a percentage of total capital	86%	74%
Long term borrowings including current maturities	754.29	1,409.66
Short term borrowings	3,755.12	2,521.36
Total borrowings	4,509.41	3,931.02
As a percentage of total capital	14%	26%
Total capital (equity and borrowings)	31,452.33	15,237.97

43 Goodwill

Goodwill arising upon business combinations is not amortised but tested for impairment periodically, if there are any impairments indications.

Gross carrying value

Particulars	As at 31-Mar-24	As at 31-Mar-23
Opening balance	6,889.80	7,185.63
Goodwill arising on Business combination	12,710.26	-
Adjustments on account of business combination	(80.00)	(295.83)
Closing balance	19,520.06	6,889.80

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

43 Good will (continued)

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Group has based its determinations of value-in-use include:

- The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.
- Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The after tax discount rates used are based on the Group's weighted average cost of capital.
- The after tax discount rates used for various cash generating units.

The group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

44 Taxes

As per Ind AS 12 Income tax - A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax asset (Net)

Particulars	As at 1-Apr-23	Business combination	Change / (benefit) for the year	As at 31-Mar-24
Deferred tax Asset				
Difference between Book balance and Tax balance of PPE	-	7.19	0.19	7.38
Expenses allowable for tax purposes on payment basis	-	44.72	20.19	64.91
Total	-	51.91	20.38	72.29

Deferred tax of the holding company

The Parent Company has carried forward unabsorbed depreciation amounting to ₹ 5,343.54 lakhs (as at 31 March 23 ₹ 5,413.61 lakhs) under the Income-tax Act, 1961, for which there is no expiry date for tax utilisation. Further, the Parent Company also has carried forward losses aggregating to ₹ 1,089.33 lakhs (as at 31 March 2023 ₹ 1,006.38 lakhs) under the Income tax Act, 1961 which gets expired within 8 years at the respective years, The carried forward losses will get expired mainly during the years 2030 to 2031.

Accordingly, deferred tax asset has not been recognised in respect of unabsorbed losses as they may not be used to offset taxable profits in, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

45 Business combinations during the year 2023-24:

Softnautics Inc.,

On March 28, 2023, the Group entered into a Share Purchase Agreement (SPA) to acquire 100% of the issued capital of Softnautics Inc. Softnautics Inc became a subsidiary of MosChip Technologies Limited 07 June 2024 on satisfactory completion of the closing conditions under the SPA and has been consolidated with effect from that date. The excess of purchase consideration over the fair value of the net assets acquired has been attributed towards goodwill.

The fair value of net assets acquired on the acquisition date amounted to ₹ 788 lakhs. The excess of purchase consideration of ₹ 13,498 lakhs over the fair value of the net assets acquired has been attributed towards goodwill. The goodwill amounting to ₹ 12,710 lakhs is attributable to the workforce and high profitability of the acquired business. Goodwill arising on the acquisition is not deductible for tax purposes. The intangible assets are amortised over a period of 5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

46 Additional regulatory information

a. Details of benami property held

The Group does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

b. Relationship with struck off Companies

The Group doesn't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

c. Revaluation of property, plant and equipment, intangible assets and investment property

The Group has not done revaluation of property, plant and equipment / intangible assets/ investment property.

d. The Group has not been declared as wilful defaulter by any bank or financial institution or RBI or other lenders.

e. Undisclosed income

The Group does not have any such transactions which is not recorded in the books of accounts that has been surrender or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

f. Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the financial year.

g. Registration of charges or satisfaction with registrar of companies

The Group does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

h. Compliance with number of layers of companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

i. The company has not advanced any loan / advances in the nature of loan to promoters, directors, KMP's or related parties as defined under Companies Act, 2013 either jointly or severally with any persons except a demand loan to a wholly owned subsidiary company with an interest.

j. The Group has borrowings from Banks or Financial Institutions on the basis of security current assets. Monthly returns or Statement of the current assets filed by the Company with Banks or Financial institutions are agreement with the Books of Accounts.

k. There is Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the companies Act, 2013 refer note 45

j. Intangible assets under development

Intangible assets under development aging schedule

Particulars	Amount in IUD for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	904.60	-	-	-	904.60

Intangible assets under development mainly includes IP development of a Smart energy meter under the Vidyut project.

l. For ratios refer note 49

47 No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

48. Annexure A

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

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in Profit or Loss			
	FY 2023-2024		FY 2022-2023		FY 2023-2024		FY 2022-2023	
	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.
Parent Company								
MosChip Technologies Limited	101.63%	27,381.36	106.21%	12,008.90	62.92%	621.90	85.30%	526.99
Subsidiaries								
Indian								
MosChip Institute of Silicon Systems Private Limited	(1.21%)	(324.86)	(1.53%)	(173.44)	(15.32%)	(151.42)	(12.12%)	(74.86)
Foreign								
MosChip Technologies, USA	4.18%	1127.55	4.41%	498.78	62.47%	617.43	65.13%	402.36
MosChip Technologies, WLL	0.0%	0.36	0.0%	0.37	-	-	(0.29%)	(1.80)
Softnautics Inc, USA	0.39%	104.52	0.0%	-	23.34%	230.66	-	-
Adjustment arising out of consolidation	(5.00%)	(1,346.01)	(9.09%)	(1,027.66)	(33.40%)	(330.13)	(38.03%)	(234.92)
Total	100%	26,942.92	100%	11,306.95	100%	988.44	100%	617.77

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in Profit or Loss			
	FY 2023-2024		FY 2022-2023		FY 2023-2024		FY 2022-2023	
	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Net Assets	Amount in Rs.
Parent Company								
MosChip Technologies Limited	88%	229.69	112%	150.78	53.86%	392.21	77.77%	376.21
Subsidiaries								
Indian								
MosChip Institute of Silicon Systems Private Limited	-	-	-	-	(20.79%)	(151.42)	(15.48%)	(74.86)
Foreign								
MosChip Technologies, USA	(4%)	(11.31)	(12%)	(16.75)	86.34%	628.74	86.64%	419.11
MosChip Technologies, WLL	-	-	-	-	-	-	(0.37%)	(1.80)
Softnautics Inc, USA	16%	41.84	-	-	25.93%	188.82	-	-
Adjustment arising out of consolidation	-	-	-	-	(45.33%)	(339.13)	(48.56%)	(234.92)
Total	100%	260.22	100%	134.03	100%	728.22	100%	483.74

Notes forming part of the Consolidated Financial Statements
All amounts in ₹ lakhs

49 The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

Sl.No.	Particulars	Numerator	Denominator	Year ended 31-Mar-24	Year ended 31-Mar-23	Variance	Remarks
a	Current ratio (no. of times)	Current assets	Current liabilities	1.71	1.81	-5%	
b	Debt – Equity Ratio (no. of times)	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.26	0.64	-59%	Note i
c	Debt service coverage ratio (no. of times)	Earnings available for debt service(2)	Debt Service(3)	1.02	1.02	0%	
d	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	5.17%	6.92%	-25%	Note ii
e	Trade receivables turnover ratio	Revenue	Average Trade Receivable	3.54	3.36	-5%	
f	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.14	0.80	208%	Note iii
g	Net capital turnover ratio	Revenue	Working Capital	5.33	4.42	21%	
h	Net profit ratio	Net Profit	Revenue	3.36%	3.11%	8%	
i	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	22.65%	30.47%	-26%	Note iv
j	Return on Investment (ROI) (5)	Income generated from investments	Time weighted average investments	NA	NA	NA	

- 1 Total Debts = Borrowings + Leased Liabilities
- 2 Earnings available for Debts Service = Net Profit after taxes + Non-cash operating expenses + Interest - Non-cash operating incomes
- 3 Debt Services = Borrowings + Leased Liabilities
- 4 Capital Employed = Tangible net worth + Lease Liabilities
- 5 Return on investments of the company "Not Applicable" as the group doesn't have traded investments

Notes

- i. Decrease in debt - equity ratio is due to issue of equity shares on preferential basis.
- ii. Decline in return on equity due to fresh issue of equity share on preferential basis with stable profits
- iii. Increase is due to increase in cost of materials consumed
- iv. Decline in return on capital employed due to fresh issue of equity share on preferential basis with stable profits

Notes forming part of the Consolidated Financial Statements

All amounts in ₹ lakhs

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

As per our report of even date attached

For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration No: 011410S

For and on behalf of the Board
MosChip Technologies Limited

Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSXLX4033

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Damodar Rao Gummadapu
Director
DIN : 07027779

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

Place: Hyderabad
Date: 06 May 2024

Place: Hyderabad
Date: 06 May 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOSCHIP TECHNOLOGIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of MosChip Technologies Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes forming part of Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as 'the Financials Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') as amended and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key Audit Matters:

Key Audit Matter	Auditor's Response
<p>1. Revenue Recognition</p> <p>Revenue of the Company is mainly from information Technology services comprising software development, consulting, and related services. Revenue from these contracts are recognised over a period of time in accordance with the requirements of Ind AS 115, Revenue from contracts with customers.</p> <p>Due to nature of contracts, revenue recognition involves usage of percentage of completion method, which is determined by survey of work performed, which involves significant judgements, identification of contractual obligations and the Company's right to receive payments for performance completed till date, change in scope and the consequential revised price contract price and recognition of the liability for loss making contract/onerous obligations.</p> <p>Accordingly, revenue recognition involves aforesaid significant judgement and estimation. Hence, we determine this to be a key audit matter.</p> <p>Refer note 2.10 to the Financial Statements.</p>	<p>Our audit procedures includes:</p> <ul style="list-style-type: none"> Obtaining an understanding of the systems, processes and controls for evaluation of fixed price contracts to identify distinct performance obligations and recognition of revenue. Evaluation of design and operating effectiveness of internal controls relating to recording of the contract value, determining the transaction price, allocation of consideration to performance obligations, measurement of efforts incurred and process around estimation of efforts required to complete the performance obligations and the most appropriate method to recognise revenue. We selected a sample of contracts with customers and performed the following procedures: <ul style="list-style-type: none"> Evaluated the identification of performance obligation.

**INDEPENDENT
AUDITOR'S REPORT**

Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> • Considered the terms of the contracts to determine the transaction price, including adjustments for any sum's payable to the customer; • Determined if the Company's evaluation of the method used for recognition of revenue is appropriate. • Tested the Company's calculation of efforts incurred, estimation of contract efforts including estimation of onerous obligation, through a retrospective review of efforts incurred with estimated efforts. • Assessed the appropriateness of the related disclosures in the Financial Statements.
<p>2. Goodwill on business acquisition:</p> <p>As detailed in the Note 42 to the Financial Statements the company carries a Goodwill of ₹5,511.00 lakhs as at 31 March, 2024.</p> <p>This Goodwill was recognised on acquisitions over a period, in terms of Ind AS 103 Business Combinations. The Carrying values of the Goodwill are based on the present value of future cash inflows and there exists a risk of impairment if cash flows are not in line with projections.</p> <p>As per Ind AS 36, 'Impairment of Assets', the goodwill acquired in business combination shall be tested annually for impairment. For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units (CGU) or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.</p> <p>Valuation of goodwill subject to management assessment of recoverable amount being higher of (i) fair value less costs to sell and (ii) value in use, involving significant judgement and are based on number of variables and estimates including projection of future sales, operating costs and profit margins; appropriate discount rate and terminal value growth rate; and probability of success in applying discounted cashflow valuation methodology.</p> <p>The assessment of impairment involves significant degree of management judgements and estimates. The management has concluded that the recoverable amount of CGU is higher than its carrying amount and accordingly, no impairment provisions has been recorded as at 31 March 2024. Accordingly, we determined impairment of such goodwill arising from business combination as Key Audit Matter for the current year audit.</p>	<p>We carried out the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of the Company's controls in assessing the recoverable value of goodwill. • Assessed the Company's methodology applied in determining the CGUs to which these assets are allocated. • Tested the estimated recoverable value of these assets and assessed the methodologies used by management in deriving the recoverable value and tested the significant assumptions and the underlying data used by the Company in its analysis. • Where management has used an independent valuer, evaluated the independent valuer's competence, capabilities and objectivity, and assessing the valuation methodology used by the independent valuer to estimate the fair value of investments. • Compared the significant assumptions to current industry, market and economic trends and related Company's historical data. • Performed sensitivity analyse of the significant assumptions to evaluate the potential change in the recoverable values of these assets resulting from hypothetical changes in underlying assumptions. • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the Financial Statements.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance, including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the Indian Accounting Standard ('Ind AS') specified under section 133 of the Act and other accounting principle generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management 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 of the company are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

INDEPENDENT AUDITOR'S REPORT

doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section(11) of Section 143 of the Act, we give in '**Annexure-A**' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the Internal Financial Controls over with reference Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure-B**'. Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's Internal Financial Controls with reference to Financial Statements.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

**INDEPENDENT
AUDITOR'S REPORT**

- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. Refer Note.33to the Financial Statements.
- ii. The Company didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company as no dividends are declared by the Company. Hence there are no delays in transfer of amounts to IEPF.
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend is declared or paid during the year by the Company and accordingly, compliance with section 123 of the Act is not applicable to the Company.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility as per Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 we report that the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023 and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration Number : 011410S

HIMA BINDU SAGALA

Partner

Membership No : 231056

ICAI UDIN : 24231056BKFSWLW4085

Place: Hyderabad

Date: 06 May 2024

INDEPENDENT AUDITOR'S REPORT

Annexure 'A' to the Independent Auditors' Report

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
 - a. A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company has a regular program of physical verification of its Property, Plant and Equipment, and right-of-use assets so to cover all the assets are verified on annual basis, in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all property, plant and equipment were physically verified during the year. According to the information and explanation given to us, and based our examination of records, no material discrepancies were noticed on such verification.
 - c. The Company is not holding any immovable properties other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee. Accordingly clause 3(i)(c) of the Order is not applicable to the Company for the year under review.
 - d. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e. According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - a. The Company holds inventories and as per annual verification policy, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventories. There were no material discrepancies noticed on verification between the physical stock and the book records.
 - b. According to the information and explanation given to us and on the basis of our examination of the records of the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, during the year, from banks on the basis of security of current assets. In our opinion, the monthly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. The Company has not been sanctioned any working capital limit from the financial institutions.

Also refer Note 45 additional regulatory information to Standalone Financial Statements.

INDEPENDENT AUDITOR'S REPORT

- iii. a. The Company has, during the year, provided loans or advances in the nature of loans to its subsidiary. The aggregate amount granted during the year and balances outstanding at the balance sheet date with respect to such loan to subsidiaries and to parties other than subsidiaries, Joint ventures and associates are as per the details given below:

Particulars	₹ in Lakhs
Aggregate amount granted during the year.	
-Subsidiaries	86.48
-Others	-
Balance outstanding as at balance sheet date in respect of above cases:	
-Subsidiaries	333.86
-Others	-

The Company has not provided any corporate guarantee or offered security during the year.

- b. In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest based on the information and explanation provided by the Company.
- c. In respect of loan granted by the Company, the schedule of repayment of principal is not stipulated and payment of interest has been stipulated and receipts of interest have generally been regular as per stipulation.
- d. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date for more than 90 days.
- e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- f. The details of loan granted, either repayable on demand or without specifying any term of repayment, are given below:

Particulars	All Parties ₹	Promoters ₹	Related Parties ₹
Repayable on demand	-	-	-
No items or repayments terms are specified	-	-	333.86
Total		-	333.86
Percentage of the total loans granted			100%

The above loan is included in Note 13 and 34 to the Financial Statements.

- iv. In our opinion and according to the information and explanation given to us, the Company has complied the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made as applicable.
- v. The Company has not accepted any deposits or amounts during the year as per provisions of Section 73 or 76 of the Act and relevant Rules framed thereunder. Accordingly, the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a. According to the information and explanation given to us by the Company and records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

INDEPENDENT AUDITOR'S REPORT

- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2024 on account of disputes are given below:

Nature of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount in lakhs ₹
The Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2019-20	1,057.93

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961(43 of 1961).
- ix. a. According to the information and explanation given to us by the company and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
- b. The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not obtained any term loan during the year. Hence reporting on end-use is not applicable. Accordingly reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- d. According to the information and explanation given to us by the Company and based on the procedures performed by us and on overall examination of Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purpose of the Company.
- e. According to the information and explanation given to us by the Company and on overall examination of Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or Joint ventures.
- f. According to the information and explanation given to us by the Company and based on the 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, joint ventures or associate companies.
- x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has made preferential allotment of 1,67,22,598 equity shares (fully paid) and also 48,46,412 equity shares to employees as part of ESOP Scheme, and the Company has complied with requirements of section 42 and 62 of the Companies Act, 2013 and the funds have been used for the purpose for which they were raised.
- xi. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the company has not received any whistle blower complaints during the year. Accordingly, Clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company as prescribed under Section 406 of the Act and Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, and according to the information given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

**INDEPENDENT
AUDITOR'S REPORT**

- xiv. a. In our opinion and according to the information given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered the internal audit report for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a)& (b) of the Order is not applicable.
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) &(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding the financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. According to the information and explanation given to us by the Company and on verification of records, there is no requirement for transfer of any unspent balance on other than ongoing project to a special account within a period of six months of expiry of financial year as per section 135(5) of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for this year.
- b. According to the information and explanation given to us by the Company and on verification of records, there is no requirement of transfer of unspent amount pursuant to any ongoing project to a special account in compliance of the provisions of section 135(5) of the Act.
- Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year under review.

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration Number : 011410S

HIMA BINDU SAGALA

Partner

Membership No : 231056

ICAI UDIN : 24231056BKFSWLW4085

Place: Hyderabad

Date: 06 May 2024

INDEPENDENT AUDITOR'S REPORT

Annexure B to the Independent Auditors' Report

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

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

We have audited the Internal Financial Controls with reference to Financial Statements of MosChip Technologies Limited ('the Company') as of 31 March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Financial Statements

**INDEPENDENT
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may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration Number : 011410S

HIMA BINDU SAGALA

Partner

Membership No : 231056

ICAI UDIN : 24231056BKFSWLW4085

Place: Hyderabad

Date: 06 May 2024

STANDALONE BALANCE SHEET AS AT 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Notes	As at 31-Mar-24	As at 31-Mar-23
ASSETS			
Non-current assets			
Property, plant and equipment	3	446.00	608.78
Right-of-use assets	4(b)	1,764.27	2,537.50
Intangible assets	4(a)	24.52	76.40
Other intangible assets under development	4(a)	904.60	-
Goodwill	4(c)	5,511.00	5,511.00
Financial assets			
Investments	5	15,945.34	2,526.87
Trade receivables	6	92.33	150.02
Others	7	256.34	211.88
Total non-current assets		24,944.40	11,622.45
Current assets			
Inventories	8	79.98	108.27
Financial assets			
Trade receivables	9	8,294.30	6,827.82
Cash and cash equivalents	10 (a)	11.29	24.19
Other bank balances	10 (b)	1,576.93	1,113.67
Other financial assets	11	796.33	763.12
Current tax assets (net)	12	346.55	344.11
Other current assets	13	599.31	425.20
Total current assets		11,704.69	9,606.38
Total assets		36,649.09	21,228.83
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	3,758.77	3,327.39
Other equity	15	23,622.55	8,681.50
Total equity		27,381.32	12,008.89
Non-current liabilities			
Financial liabilities			
Borrowings	16	754.29	1,409.66
Lease liabilities	17	1,136.19	1,838.34
Others	18	-	80.00
Provisions	19	1,193.20	849.03
Total non-current liabilities		3,083.68	4,177.03

STANDALONE BALANCE SHEET AS AT 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Notes	As at 31-Mar-24	As at 31-Mar-23
Current liabilities			
Financial liabilities			
Borrowings	20	3,310.54	2,521.36
Lease liabilities	21	833.25	850.54
Trade payables	22		
(a) Dues of micro and small enterprises		66.43	48.52
(b) Dues other than (a) above		828.90	1,011.90
Others	23	43.59	6.77
Other current liabilities	24	749.18	359.10
Provisions	25	352.20	244.72
Total current liabilities		6,184.09	5,042.91
Total liabilities		9,267.77	9,219.94
Total equity and liabilities		36,649.09	21,228.83

The accompanying notes form an integral part of the standalone financial statements 1 - 49

As per our report of even date attached

For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration No: 011410S

For and on behalf of the Board
MosChip Technologies Limited

Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSWLW4085

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Damodar Rao Gummadapu
Director
DIN : 07027779

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

Place: Hyderabad
Date: 06 May 2024

Place: Hyderabad
Date: 06 May 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars	Notes	Year Ended 31-Mar-24	Year Ended 31-Mar-23
I Income			
Revenue from operations	26	22,283.89	17,120.28
Other income	27	321.53	445.62
Total income		22,605.42	17,565.90
II Expenses			
Cost of materials consumed	28	2,584.70	152.83
Operating cost	29	1,448.59	1,204.93
Employee benefit expense	30	15,571.63	13,114.89
Finance costs	31	557.37	742.29
Depreciation and amortisation expense	4(d)	1,149.70	1,163.92
Other expenses	32	671.51	660.05
Total expenses		21,983.50	17,038.91
III Profit before tax (I - II)		621.92	526.99
IV Tax expense	43	-	-
V Profit after tax (III - IV)		621.92	526.99
VI Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit liabilities - (gain) / loss	36	229.69	150.78
Total other comprehensive (income) / loss		229.69	150.78
VII Total comprehensive income / (loss) for the year (V - VI)		392.23	376.21
Earnings per equity share (nominal value of ₹ 2)	39		
Basic (₹)		0.35	0.32
Diluted (₹)		0.32	0.30

The accompanying notes form an integral part of the standalone financial statements 1 - 49

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

For and on behalf of the Board
MosChip Technologies Limited

Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSWLW4085

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Damodar Rao Gummadapu
Director
DIN : 07027779

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

Place: Hyderabad
Date: 06 May 2024

Place: Hyderabad
Date: 06 May 2024

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Year Ended 31-Mar-24	Year Ended 31-Mar-23
A Cash flow from operating activities		
Profit before tax	621.92	526.99
Adjustments for:		
Depreciation and amortisation expense	1,149.70	1,163.92
Interest income	(141.58)	(70.06)
Finance costs	557.37	742.29
Allowances for doubtful receivables and bad debts written off (net)	75.12	151.09
Write back of liabilities	(139.97)	(192.02)
Unrealized exchange (gain)/ loss (net)	74.84	36.93
Amortisation of share based payment cost	1,141.30	959.49
Provision for employee benefits	350.15	252.69
Cash generated from operating activities before working capital changes	3,688.85	3,571.32
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(1,558.75)	(2,240.96)
(Increase)/ decrease in inventories	28.29	80.66
(Increase)/ decrease in financial asset	(12.02)	17.45
(Increase)/ decrease in other current asset	(174.11)	(139.33)
Increase/ (decrease) in trade payable	236.49	(73.60)
Increase/ (decrease) in financial liabilities	36.82	(11.81)
Increase/ (decrease) in current liabilities	390.08	116.36
Increase/ (decrease) in provisions	(128.19)	52.47
Cash generated from operating activities before taxes	2,507.46	1,372.56
Income tax paid (net)	(2.44)	126.46
Net cash flows from operating activities (A)	2,505.02	1,499.02
B Cash flow from investing activities		
Payment towards purchase of property, plant and equipment	(161.81)	(502.40)
Payment towards purchase of other Intangible assets under development	(904.60)	-
Investment in subsidiary	(6,029.15)	(2.18)
Payment of security deposit	(32.44)	(91.28)
(Investments in)/ redemption of bank deposits (with maturity of more than three months) - (net)	(463.26)	(1,108.68)
Redemption of deposits with banks	-	18.86
Interest received	108.37	37.52
Net cash flows used in investing activities (B)	(7,482.89)	(1,648.16)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

All amounts in ₹ lakhs

Particulars	Year Ended 31-Mar-24	Year Ended 31-Mar-23
C Cash flow from financing activities		
Shares issued on exercise of employee stock options	1,073.97	289.39
Shares issued on preferential basis	5,034.00	1,100.00
Proceeds / (repayment) from borrowings (net)	133.81	(52.80)
Repayment of lease liabilities	(719.44)	(458.97)
Finance cost	(557.37)	(742.29)
Net cash flows from financing activities (C)	4,964.97	135.33
Net Decrease in cash and cash equivalents during the year (A+B+C)	(12.90)	(13.81)
Cash and cash equivalents at the beginning of the year	24.19	38.00
Cash and cash equivalents at the end of the year (refer note10 (a))	11.29	24.19

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

The accompanying notes form an integral part of the standalone financial statements 1 - 49

As per our report of even date attached

For ST Mohite & Co
Chartered Accountants
ICAI Firm Registration No: 011410S

For and on behalf of the Board
MosChip Technologies Limited

Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 24231056BKFSWLW4085

Srinivasa Rao Kakumanu
Managing Director & CEO
DIN : 06726305

Damodar Rao Gummadapu
Director
DIN : 07027779

Jayaram Susarla
Chief Financial Officer

Suresh Bachalakura
Company Secretary
M. No: ACS 39381

Place: Hyderabad
Date: 06 May 2024

Place: Hyderabad
Date: 06 May 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

All amounts in ₹ lakhs except share and where otherwise stated

a. Equity Share Capital

As at 1 Apr 2022		Change in equity share capital during the year		As at 31 Mar 2023	
No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
159,846,725	3,196.93	6,522,594	130.46	166,369,319	3,327.39
As at 1 Apr 2023		Change in equity share capital during the year		As at 31 Mar 2024	
No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
166,369,319	3,327.39	21,569,010	431.38	187,938,329	3,758.77

b. Other equity

Particulars	Share application money pending allotment	Reserves and surplus			Other comprehensive income		Total
		Capital reserve	Securities premium	Share option outstanding account	Retained earnings	Remeasurement of the net defined benefit plans	
Balance as at 1 April 2022	2.56	1,086.90	14,286.34	560.38	(11,562.32)	(222.90)	4,150.96
Profit for the year	-	-	-	-	526.99	-	526.99
Other comprehensive income (net)	-	-	-	-	-	(150.78)	(150.78)
Total comprehensive income for the year	-	-	-	-	526.99	(150.78)	376.21
Shares issued on exercise of employee stock options	(2.02)	-	255.81	-	-	-	253.79
Shares issued on preferential basis	-	-	2,901.72	-	-	-	2,901.72
Transfer from share option outstanding account on exercise of stock options	-	-	129.76	(129.76)	-	-	-
Amortised amount of share based payments to employees (net)	-	-	-	998.82	-	-	998.82
Balance as at 31 March 2023	0.54	1,086.90	17,573.63	1,429.44	(11,035.33)	(373.68)	8,681.50
Profit for the year	-	-	-	-	621.92	-	621.92
Other comprehensive income (net)	-	-	-	-	-	(229.69)	(229.69)
Total comprehensive income for the year	-	-	-	-	621.92	(229.69)	392.23
Shares issued on exercise of employee stock options	91.74	-	885.30	-	-	-	977.04
Shares issued on preferential basis	-	-	12,168.87	-	-	-	12,168.87
Transfer from share option outstanding account on exercise of stock options	-	-	501.07	(501.07)	-	-	-
Amortised amount of share based payments to employees (net)	-	-	-	1,402.91	-	-	1,402.91
Balance as at 31 March 2024	92.28	1,086.90	31,128.87	2,331.28	(10,413.41)	(603.37)	23,622.55

The accompanying notes form an integral part of the standalone financial statements 1 - 49

As per our report of even date attached

For **ST Mohite & Co**

Chartered Accountants

ICAI Firm Registration No: 0114105

Hima Bindu Sagala

Partner

Membership No.: 231056

ICAI UDIN: 24231056BKFSLW4085

Place: Hyderabad

Date: 06 May 2024

For and on behalf of the Board

MosChip Technologies Limited

Srinivasa Rao Kakumanu

Managing Director & CEO

DIN : 06726305

Damodar Rao Gummadapu

Director

DIN : 07027779

Jayaram Susarla

Chief Financial Officer

Suresh Bachalakura

Company Secretary

M. No: ACS 39381

Notes forming part of the Standalone Financial Statements

1 Corporate information

MosChip Technologies Limited ('the Company') was incorporated in 1999 under the Companies Act, 1956 and listed on Bombay Stock Exchange (BSE) in 2001. The registered office of the Company is situated at 7th Floor, "My Home Twitza", Hyderabad Knowledge City, Hyderabad, Telangana 500081, which is its principal place of business.

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

The Standalone Financial Statements for the year ended 31 March 2024 were approved by the Board of Directors and authorised for issue on 06 May 2024.

2 Significant accounting policies

2.1 Statement of Compliance

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

2.2 Basis for preparation of standalone financial statements:

These standalone financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

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

2.3 Use of estimates:

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

Critical accounting estimates

(i) Revenue recognition

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

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

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

Notes forming part of the Standalone Financial Statements

2.3 Use of estimates: (Continued...)

Critical accounting estimates (Continued...)

(ii) Property, plant and equipment

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

(iii) Provisions

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

(iv) Business combinations and intangible assets

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

(v) Impairment of Goodwill

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

(vi) Defined benefit plans and compensated absences

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

(vii) Expected credit losses on financial assets

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

(viii) Other estimates

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

Notes forming part of the Standalone Financial Statements

2.4 Property, plant and equipment (PPE)

Recognition and measurement

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

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

Depreciation

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

The estimated useful lives of assets are as follows:

Useful lives of depreciable assets	Useful life (Years)
Mask tools	5
Lab equipment	5
Plant and machinery	5
Furniture and fixtures	10
Office equipment	5
Computers	3
Vehicles	10
Other intangible assets	3 - 5

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

The estimated useful life and residual values of PPE and intangible assets are reviewed at the end of each reporting period.

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

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

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

Notes forming part of the Standalone Financial Statements

2.5 Leases

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset (ROU) measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The ROU 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 ROU assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. ROU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

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

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

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

2.6 Business combinations

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

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

2.7 Goodwill and intangible assets

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

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

Notes forming part of the Standalone Financial Statements

2.8 Impairment of assets

(i) Financial assets

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

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

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

(ii) Non-financial assets

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

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

(iii) Goodwill

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

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

2.9 Inventories

Raw material:

Raw material are valued at lower of cost or net realizable value. Cost is determined on weighted average method.

Finished goods:

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

Projects in progress / Work in progress:

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

2.10 Revenue recognition

The Company derives revenues primarily from information technology services comprising software development, consulting and related services.

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

Notes forming part of the Standalone Financial Statements

2.10 Revenue recognition (continued..)

- (i) Revenue from time and material and job contracts is recognised on the basis of time spent, efforts expended
- (ii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- (iii) Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- (iv) Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- (v) License agreements that require payment of license fees contain a single performance obligation that represents ongoing access to a portfolio of intellectual property over the license term since such agreements provide the licensee the right to access a portfolio of intellectual property that exists at inception of the license agreement and to updates and new intellectual property that is added to the licensed portfolio during the term of the agreement that are highly interdependent or interrelated. Since we expect to expend efforts to develop and transfer updates to our licensed portfolio on an even or specified timeline basis, license fees are recognized as revenues on a straight-line or milestone basis over the estimated period of benefit of the license to the licensee.
- (vi) Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
- (vii) Contract liability (unearned revenue) is recognised when there is billings in excess of revenues.
- (viii) The amount recognized as a warranty provision is based on the estimated costs that the company expects to incur to fulfil its warranty obligations. The provision is measured at its best estimate, which considers factors such as historical warranty claims, repair or replacement costs, and the experience of similar products. If the warranty costs are expected to be incurred beyond one year, the provision may be discounted to reflect the time value of money.

Interest income

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

2.11 Foreign currencies

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

2.12 Financial instruments

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

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

Notes forming part of the Standalone Financial Statements

(i) Non-derivative financial instruments:

Cash and cash equivalents

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method less impairment losses, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

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

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

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

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Separate Financial Statements.

Financial liabilities

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

(ii) Derecognition of financial instruments

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

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

(iii) Financial guarantee contracts

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

2.13 Employee benefits

a Defined benefit plans

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

Notes forming part of the Standalone Financial Statements

2.13 Employee benefits (continued...)

b Defined contribution plans

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

c Compensated absences:

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

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

d Other short-term employee benefits / bonus

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

2.14 Taxation

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

Current tax

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

Deferred tax

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

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

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

2.15 Employee stock option plans:

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

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

2.16 Earnings per share

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

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

Notes forming part of the Standalone Financial Statements

2.17 Provisions, contingent liabilities & contingent assets

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

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

2.18 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Standalone Financial Statements
All amounts in ₹ lakhs

3 Property, plant and equipment
Tangible assets

Particulars	Mask tools	Leasehold improvements	Lab equipments	Plant and machinery	Furniture and fixtures	Office equipments	Computers	Vehicles	Total
Cost									
As at 1 April 2022	1,479.10	-	74.65	4.94	21.96	31.27	416.02	52.56	2,080.51
Additions / (Transfer)	-	-	3.37	-	-	15.39	488.99	-	507.75
Deletions / adjustments	-	-	-	-	0.17	5.92	-	-	6.09
As at 31 March 2023	1,479.10	-	78.02	4.94	21.79	40.74	905.01	52.56	2,582.17
As at 1 April 2023	1,479.10	-	78.02	4.94	21.79	40.74	905.01	52.56	2,582.17
Additions / (Transfer)	-	18.95	0.28	-	-	0.39	142.20	-	161.81
Deletions / adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2024	1,479.10	18.95	78.30	4.94	21.79	41.13	1,047.21	52.56	2,743.98
Accumulated depreciation									
As at 1 April 2022	1,332.67	-	30.16	1.52	12.95	22.32	123.57	41.54	1,564.73
Charge for the year	146.43	-	16.31	3.42	8.84	7.84	216.25	9.57	408.66
Deletions / adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2023	1,479.10	-	46.47	4.94	21.79	30.16	339.82	51.11	1,973.39
As at 1 April 2023	1,479.10	-	46.47	4.94	21.79	30.16	339.82	51.11	1,973.39
Charge for the year	-	2.47	15.27	-	-	8.04	297.36	1.45	324.59
Deletions / adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2024	1,479.10	2.47	61.74	4.94	21.79	38.20	637.18	52.56	2,297.98
Carrying amount									
As at 31 March 2023	-	-	31.55	-	-	10.58	565.19	1.45	608.78
As at 31 March 2024	-	16.48	16.56	-	-	2.93	410.03	-	446.00

Depreciation on property, plant and equipment is charged on straight line method as per schedule II to the Companies Act, 2013

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

4 (a) Intangible assets

Particulars	Design & development	Under development*	Amount
Cost			
As at 1 April 2022	785.35	-	785.35
Additions / (Transfer)	-	-	-
Deletions / adjustments	-	-	-
As at 31 March 2023	785.35	-	785.35
As at 1 April 2023	785.35	-	785.35
Additions / (Transfer)	-	904.60	904.60
Deletions / adjustments	-	-	-
As at 31 March 2024	785.35	904.60	1,689.95
Accumulated amortisation			
As at 1 April 2022	567.58	-	567.58
Charge for the year	141.37	-	141.37
Deletions / adjustments	-	-	-
As at 31 March 2023	708.95	-	708.95
As at 1 April 2023	708.95	-	708.95
Charge for the year	51.88	-	51.88
Deletions / adjustments	-	-	-
As at 31 March 2024	760.83	-	760.83
Carrying amount			
As at 31 March 2023	76.40	-	76.40
As at 31 March 2024	24.52	904.60	929.12

* Intangible assets under development: The Intangible assets under development mainly includes IP development of a Smart energy meter under the Vidyut project.

4 (b) Right-of-use assets

Particulars	Amount
Cost	
As at 1 April 2022	1,107.47
Additions / (Transfer)	2,304.50
Deletions / adjustments	-
As at 31 March 2023	3,411.97
As at 1 April 2023	3,411.97
Additions / (Transfer)	-
Deletions / adjustments	-
As at 31 March 2024	3,411.97
Accumulated amortisation	
As at 1 April 2022	260.58
Charge for the year	613.89
Deletions / adjustments	-
As at 31 March 2023	874.47
As at 1 April 2023	874.47
Charge for the year	773.23
Deletions / adjustments	-
As at 31 March 2024	1,647.70
Carrying amount	
As at 31 March 2023	2,537.50
As at 31 March 2024	1,764.27

4 (c) Goodwill

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Gross carrying value		
Opening balance	5,511.00	5,511.00
Goodwill arising on business combination	-	-
Adjustments on account of business combination	-	-
Closing balance	5,511.00	5,511.00

Refer note 42 for details

4 (d) Depreciation and amortisation expense

Particulars	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Depreciation (refer note 3)	324.59	408.66
Amortisation of intangible assets (refer note 4(a))	51.88	141.37
Amortisation of Right-of-use assets (refer note 4(b))	773.23	613.89
Total	1,149.70	1,163.92

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23					
5. Investments							
Non-current							
(i) Investment in equity instruments							
Unquoted fully paid equity shares carried at cost							
Investments in subsidiaries							
(a) 8,325,770 (31 March 2023: 8,325,770) equity shares in MosChip Technologies, USA	2,244.69	2,324.69					
(b) 10 (31 March 2023: 10) equity shares of BHD 100 each in MosChip Technologies WLL	2.18	2.18					
(c) 10,000 (31 March 2023: 10,000) equity share of ₹ 10 each in MosChip Institute of Silicon Systems Pvt.Ltd.	200.00	200.00					
(d) 13,582,000 (31 March 2023: Nil) equity shares in Softnautics Inc. USA	13,498.47	-					
(ii) Other investments							
0.01 % share in Softnautics LLP value ₹ 100/- *	-	-					
	15,945.34	2,526.87					
* Investment value is less than the rounding off threshold; value is not shown.							
(a) Aggregate amount of unquoted investments carried at cost	15,945.34	2,526.87					
(b) Aggregate amount of quoted investments and market value thereof;	-	-					
(c) Aggregate amount of impairment in value of investments	-	-					
	As at 31-Mar-24	As at 31-Mar-23					
6. Trade receivables							
Non-current							
Unsecured, considered good	92.33	150.02					
Less: Allowance for doubtful trade receivables	-	-					
	92.33	150.02					
Trade receivables ageing schedule as on 31 March 2024							
Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	92.33	-	-	-	-	-	92.33
	92.33	-	-	-	-	-	92.33
Trade receivables ageing schedule as on 31 March 2023							
Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables - considered good	150.02	-	-	-	-	-	150.02
	150.02	-	-	-	-	-	150.02
There are no disputed dues relating to trade receivables							
7. Others - Non current financial assets							
Unsecured, considered good							
Security deposits (carried at fair value)					256.34		211.88
					256.34		211.88
8 Inventories *							
Raw material							
Hardware and product component					79.98		108.27
					79.98		108.27
* Carried at the lower of cost and net realisable value.							

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
9 Trade receivables		
Current		
(i) Billed receivables		
Undisputed Trade receivables		
Considered good *	6,346.69	5,427.80
Considered doubtful	1,468.71	1,393.59
Less: Allowance for doubtful trade receivables	(1,468.71)	(1,393.59)
Total receivables - billed	6,346.69	5,427.80
(ii) Trade receivables - unbilled	1,947.61	1,400.02
Total receivables (i+ii)	8,294.30	6,827.82
* Includes dues from subsidiaries (refer note 34)	3,532.38	2,690.41

Trade receivables - current ageing schedule as on 31 March 2024

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables-considered good	2,891.65	2,626.44	0.13	85.43	106.97	636.07	6,346.69
Credit impairment	-	-	-	-	112.48	1,356.23	1,468.71
Total	2,891.65	2,626.44	0.13	85.43	219.45	1,992.30	7,815.40
Less: allowance for doubtful trade receivables							(1,468.71)
Trade receivables - billed (net)							6,346.69
Trade receivables - unbilled							1,947.61
Total trade receivables							8,294.30

Trade receivables - current ageing schedule as on 31 March 2023

Particulars	Not Due	Less than 6 months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables-considered good	2,365.37	2,186.32	54.01	-	263.98	558.11	5,427.79
Credit impairment	-	-	-	112.48	397.10	884.02	1,393.60
Total	2,365.37	2,186.32	54.01	112.48	661.08	1,442.13	6,821.39
Less: allowance for doubtful trade receivables							(1,393.59)
Trade receivables - billed (net)							5,427.80
Trade receivables - unbilled							1,400.02
Total trade receivables							6,827.82

	As at 31-Mar-24	As at 31-Mar-23
Movement in contract assets during the year		
Opening balance	6,827.82	4,703.59
Revenue recognised that was included in the contract liability balance at the beginning of the year	22,283.89	17,120.28
Amount received during the year	20,817.41	14,996.05
Closing balance	8,294.30	6,827.82

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
10 (a) Cash and cash equivalents		
Balances with banks:		
- in current account	11.29	24.19
	11.29	24.19
10 (b) Other bank balances		
Margin money deposits with original maturities of less than 1 year (refer note (i) below)	21.95	8.69
Term deposits with Banks with original maturities of less than 1 year (refer note (ii) below)	1,554.98	1,104.98
Total other bank balances	1,576.93	1,113.67
(i) Balances held as margin money/security deposit represents the deposits lodged with banks against guarantees issued by them.		
(ii) Balances held as collateral security against bank overdraft		
11 Other - current financial assets		
Unsecured Security Deposits (Gross)	994.81	994.81
Less : Allowance for doubtful deposits	(264.48)	(264.48)
Unsecured Security Deposits (Net)	730.33	730.33
Interest accrued on fixed deposits but not due	66.00	32.79
	796.33	763.12
12 Current tax assets (net)		
Balances with Government authorities		
Tax Deducted at Source (TDS)	346.55	344.11
	346.55	344.11
13 Other current assets		
Unsecured, considered good		
Advances to related party		
Advances to subsidiaries (refer note 34)	333.86	247.38
GST receivable	16.89	-
Advance to vendors	26.68	10.49
Prepaid expenses	221.88	167.33
	599.31	425.20
14 Equity share capital		
Authorised		
282,755,000 (31 March 2023 : 282,755,000) equity shares of ₹ 2 each	5,655.10	5,655.10
Issued, subscribed and fully paid-up		
188,135,799(31 March 2023: 166,566,789) equity shares of ₹2 each fully paid-up	3,762.72	3,331.34
Less: 197,470 (31 March 2023: 197,470) Equity shares of ₹ 2 each fully paid-up issued to MosChip ESOP Trust	(3.95)	(3.95)
Adjusted: Issued, subscribed and fully paid-up	3,758.77	3,327.39

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

(a) Reconciliation of number of equity shares and amount outstanding

Particulars	As at 31-Mar-24		As at 31-Mar-23	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	166,566,789	3,331.34	160,044,195	3,200.88
Issued during the year				
On account of				
(i) Preferential issue	16,722,598	334.45	4,914,004	98.28
(ii) ESOPs	4,846,412	96.93	1,608,590	32.18
Total	188,135,799	3,762.72	166,566,789	3,331.34
Less: Equity shares of ₹ 2 each fully paid-up issued to MosChip ESOP Trust but not allotted to employees.	197,470	3.95	197,470	3.95
Adjusted : Issued, Subscribed and paid up share capital	187,938,329	3,758.77	166,369,319	3,327.39

(b) Terms / Rights, preferences and restrictions attached to the equity shares

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

(c) Number of shares held by each shareholder holding more than 5 % of the equity shares of the Company are as follows:

Particulars	As at 31-Mar-24		As at 31-Mar-23	
	No. of equity shares held	% of total shares #	No. of equity shares held	% of total shares #
Mayuka Holdings Private Limited	84,839,942	45.10%	84,839,942	50.93%

This percentage of holding is presented with reference to issued, subscribed and paid up

(d) Changes in promoters shareholding during the year

Sl. No	Name of the Promoter	As at 31-Mar-24			As at 31-Mar-23		
		No. of equity shares	% holding	% of changes during the year	No. of equity shares	% holding	% of changes during the year
1	Mayuka Holdings Private Limited	84,839,942	45.10%	-	84,839,942	50.93%	3.81%
2	Mr. Rama Chandra Reddy Kadir	3,990,778	2.12%	-39.31%	6,575,864	3.95%	-
3	Mrs. K. Pratibha Reddy	398	-	-	398	-	-
4	Mr. Damodar Rao Gummadapu	204,000	0.11%	-	204,000	0.12%	-

(e) Of the above, 18,351,568 (31 March 2023: 13,599,070) equity shares issued as fully paid for consideration other than cash in connection with acquisition of subsidiaries pursuant to scheme of arrangements in preceding 5 years.

(f) 84,839,942 equity shares are held by the parent company viz., Mayuka Holdings Private Limited.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
15 Other equity		
(a) Capital reserve		
Opening balance	1,086.90	1,086.90
Forfeiture of share warrants	-	-
Closing balance	1,086.90	1,086.90
(b) Share application money pending allotment		
Opening balance	0.54	2.56
Add: Receipt on exercise of stock options	91.74	(2.02)
Closing balance	92.28	0.54
(c) Securities premium		
Opening balance	17,573.63	14,286.34
Transfer from share option outstanding account on exercise of stock options	501.07	129.76
Issue of fresh equity shares on preferential basis	12,168.87	2,901.72
Receipts on exercise of stock options	885.30	255.81
Closing balance	31,128.87	17,573.63
(d) Share option outstanding account		
Opening balance	1,429.44	560.38
Add: Amortisation of Share based payment cost	1,402.91	998.82
Less: Transfer from share option outstanding account on exercise of stock options	(501.07)	(129.76)
Closing balance	2,331.28	1,429.44
(e) Retained earnings		
Opening balance	(11,035.33)	(11,562.32)
Add: Profit for the year	621.92	526.99
Closing balance	(10,413.41)	(11,035.33)
(f) Other comprehensive income		
Remeasurement of the net defined benefit plans		
Opening balance	(373.68)	(222.90)
Additions during the year	(229.69)	(150.78)
Closing balance	(603.37)	(373.68)
Total other equity (a)+(b)+(c)+(d)+(e)+(f)	23,622.55	8,681.50

Description of reserves

- (a) **Capital reserve:** This reserve was created towards the forfeiture of monies received for share warrants issued in earlier years.
- (b) **Share application money pending allotment:** Represents the amount of adjustments towards issue of employee stock options.
- (c) **Securities premium:** Consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.
- (d) **Share option outstanding account:** Represents the fair value of services received against employees stock options outstanding as at balance sheet date. These will be transferred to securities premium account after the exercise of the underlying options.
- (e) **Retained earnings:** Represents previous years undistributed profits / losses.
- (f) **Other comprehensive income:** Represents the actuarial gain / (loss) recognised on defined benefit plans and will not be reclassified to retained earning.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
16 Borrowings		
Non current		
Measured at amortised cost		
Secured, measure at amortised cost		
Vehicle loans		
- From banks (refer note (i) below)*	-	3.79
Unsecured		
- From banks (refer note (ii) below)*	99.68	166.50
- From related parties (refer note (iii) below)*	654.61	1,239.37
	754.29	1,409.66
i. Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly instalments over a period of 7 years commenced from May'17 and carry interest rate at 9.4 % per annum.		
ii. The bank has sanctioned ₹ 288 lakhs in FY2020-21 and ₹ 129 lakhs in FY 2022-23 loan in under the scheme of Guaranteed Emergency Credit Line (GECL) with interest rate of 8.25%, which will be paid over a period of 36 months from Aug'21 and Jul'24 respectively.		
iii. Unsecured loan from IQuest Enterprises Private Limited will be repaid in 42 monthly instalments starting from Oct'22. Current maturities are included in Note 20 - current borrowings.		
17. Non current lease liabilities		
Lease liabilities (refer note 38)	1,136.19	1,838.34
	1,136.19	1,838.34
18 Other financial liabilities		
Non current		
Royalty payable	-	80.00
	-	80.00
19 Provisions		
Non - current		
Provision for employee benefits		
- Gratuity (refer note 36)	941.58	645.39
- Compensated absences	251.62	203.64
	1,193.20	849.03
20 Borrowings (Current)		
Secured		
Short-term borrowings		
Working capital loans		
- From banks (refer note (i) below)	2,655.03	1,908.77
Current maturities of long-term borrowings		
Secured		
- From banks (refer note (ii) below)	3.70	3.70
Unsecured		
- From related parties (refer note 34 & (ii) below)	584.75	508.77
- From banks (refer note (ii) below)	67.06	100.12
	3,310.54	2,521.36
Note		
i. The Company has obtained cash credit facility from bank for an amount of ₹ 3,000 lakhs, which is secured by charge on time deposits and book debts of the Company and third party offered as collateral security.		
ii. Current maturities of long term loans (refer note 16).		

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	As at 31-Mar-24	As at 31-Mar-23
21 Current - lease liabilities		
Lease liabilities (refer note 38)	833.25	850.54
	833.25	850.54
22 Trade payables		
(a) Dues of micro and small enterprises (refer note 37)	66.43	48.52
(b) Dues other than (a) above	828.90	1,011.90
	895.33	1,060.42

Trade payables ageing schedule for the year ended 31 March 2024

Particulars	Not Due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	66.43	-	-	-	-	66.43
(ii) Others	85.64	86.44	11.57	1.59	301.23	486.47
Total	152.07	86.44	11.57	1.59	301.23	552.90
Accrued Expenses - Others						342.43
Total						895.33

Trade payables ageing schedule for the year ended 31 March 2023

Particulars	Not Due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME	48.52	-	-	-	-	48.52
(ii) Others	87.62	93.65	1.92	16.12	447.85	647.16
Total	136.14	93.65	1.92	16.12	447.85	695.68
Accrued Expenses - Others						364.74
Total						1,060.42

23 Others - current financial liabilities

Creditors for supplies	43.59	6.77
	43.59	6.77

24 Other current liabilities

Statutory remittances	441.75	359.10
Unearned revenue	307.43	-
	749.18	359.10

25 Provisions current

Provision for employee benefits		
- Gratuity (refer note 36)	188.31	133.73
- Compensated absences	163.89	110.99
	352.20	244.72

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	Year ended 31-Mar-24	Year ended 31-Mar-23
26 Revenue from operations		
Semiconductor	18,641.85	14,465.44
Embedded	3,642.04	2,654.84
	22,283.89	17,120.28

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the years ended March 31, 2024 and March 31, 2023, respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue by contract type

- Time and material	17,306.96	15,665.00
- Fixed price	4,976.93	1,455.28
Total	22,283.89	17,120.28

Revenues by geography

- North America	8,354.85	6,551.63
- Asia Pacific (including India)	13,929.04	10,568.65
Total	22,283.89	17,120.28

Fixed price:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue is recognised when such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

Time and material:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. [Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.]

27 Other income

Interest on:		
- Bank deposits	127.30	47.11
- Income-tax refund	14.28	22.95
- Financial assets	39.22	36.53
Foreign exchange gain (net)	-	144.65
Write back of liabilities	139.97	192.02
Others or Miscellaneous	0.76	2.36
	321.53	445.62

28 Cost of materials consumed

Opening balance	108.27	188.93
Add: Purchases during the year	2,556.41	72.17
Less: Closing balance	79.98	108.27
	2,584.70	152.83

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	Year ended 31-Mar-24	Year ended 31-Mar-23
29 Operating cost		
Outsourcing services	785.17	874.18
EDA tools cost	663.42	330.75
	1,448.59	1,204.93
30 Employee benefits expense		
Salaries, wages and bonus	13,753.15	11,635.15
Contribution to provident and other funds	236.22	191.31
Gratuity expenses (refer note 36)	226.72	137.26
Share based payment to employees (refer note 40)	1,141.30	959.49
Staff welfare expenses	214.24	191.68
	15,571.63	13,114.89
31 Finance costs		
Interest on:		
- Working capital loan	174.51	134.75
- Other loans	236.97	475.82
- Lease liabilities	124.11	121.12
Bank charges	21.78	10.60
	557.37	742.29

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

	Year ended 31-Mar-24	Year ended 31-Mar-23
32 Other expenses		
Professional charges	106.82	143.27
Travelling and conveyance	63.72	68.26
Rates and taxes	25.37	26.92
Software expenses	68.22	50.74
Director sitting fee	38.00	20.10
Rental expenses:		
- Buildings (refer note 38)	29.01	32.22
- Rent on equipment	56.85	34.35
Office maintenance	9.52	36.12
Subscription charges	9.64	24.69
Communication expenses	21.85	21.52
Business promotion and advertisement expenses	27.18	17.04
Other expenses	5.55	8.74
Repairs and maintenance	6.92	7.66
Auditors remuneration (refer note (i) below)	7.02	7.18
Postage, telegram and telephone expenses	2.04	3.64
Foreign exchange loss (net)	104.46	-
Printing and stationery	3.23	3.63
Insurance	2.04	2.88
Expenditure for corporate social responsibility (refer note (ii) below)	8.95	-
Allowances for doubtful receivable	75.12	142.91
Bad debts written off	-	8.18
	671.51	660.05
Note (i) Remuneration to Auditors		
Statutory audit fee	4.45	4.45
Tax audit fee	1.25	1.25
Other services (incl. limited reviews)	1.32	1.48
Total	7.02	7.18

Note (ii) Details of Corporate social responsibility (CSR) expenditure:

- (a) As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities of the Company mainly encompass activities relating to promoting education.

During the year, the Company has met the criteria, as per Section 135 of the Act and has constituted a CSR committee during the year. The CSR committee has identified Promoting Education as the key activity towards CSR. Accordingly, the following are the details of CSR spent during the year.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

32. Other expenses (Continued...)

(ii) Details of CSR Expenditure (Continued..)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
(b) Details of expenditure on Corporate Social Responsibility:		
(i) Gross amount required to be spent by the Company during the year	8.95	-
(ii) Amount approved by the Board to be spent during the year	8.95	-
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	8.95	-
(iv) Shortfall at the end of the year	NA	-
(v) Total of previous years shortfall	NA	-
(vi) Reason for shortfall	NA	-
(vii) Nature of CSR activities	Promoting education	
(viii) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	Nil	-
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	NA	-

33. Contingent liabilities and commitments

Particulars	As at 31-Mar-24	As at 31-Mar-23
i) Contingent liabilities		
- Bank guarantees issued for Government projects	21.95	8.69
- Claims against the Company not acknowledged as debt (refer note below)	1,057.93	1,057.93
The Company disputed demand raised by Income-Tax authorities for the Assessment year 2019-20 which are pending before Commissioner (Appeals). The aggregate amount of disputed tax not provided for is ₹ 1,057.93 (31 March 2023 - ₹ 1,057.93).		

34 Related party disclosures

a) Name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship as on 31 March 2024
Holding and Subsidiary Companies	
Mayuka Holdings Private Limited	Holding Company
I Quest Enterprises Private Limited	Ultimate Holding Company
MosChip Technologies, USA	Wholly owned subsidiary
MosChip Institute of Silicon Systems Private Limited	Wholly owned subsidiary
MosChip Technologies W.L.L	Wholly owned subsidiary
Softnautics Inc	Wholly owned subsidiary
Softnautics LLP	Wholly owned step-down subsidiary
Directors and relatives *	
Mr. Damodar Rao Gummadapu	Non-Executive Director
Mr. K Ramachandra Reddy **	Non-Executive Director
Mr. K.Pradeep Chandra	Independent Director
Mr. D.G.Prasad	Independent Director
Mrs. Madhurika Nalluri Venkat	Independent Director
Mr. Rajeev Krishnamoorthy ***	Independent Director
Mr. G. V. Pranav Reddy ****	Non-Executive Director
Mr. Vinayendra Parvathaneni ****	Non-Executive Director
Mrs. Asha Nimmagadda	Relative of KMP of Holding company
Key Management Personnel and Relatives *	
Mr. Venkata Sudhakar Simhadri - Managing Director and Chief Executive Officer *****	Key Management Personnel
Mr. Srinivasa Rao Kakumanu - Managing Director and Chief Executive Officer *****	Key Management Personnel
Mr. Jayaram Susarla - Chief Financial Officer	Key Management Personnel
Mr. Suresh Bachalakura - Company Secretary	Key Management Personnel

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

34 Related party disclosures (continued.)

Others *

Smilax Corporate Services LLP	Common Director in Holding company
Techwave Infotech Private Limited	Director has significant influence

* In terms of Para 18 of Ind AS 24, the above list represents only the Companies, directors, KMP's and relatives, who are having transactions with the Company

** Mr.K.Ram Chandra Reddy resigned effective from 1 May 2023

*** Mr. Rajeev Krishnamoorthy resigned effective from 29 January 2024

**** Mr. G. V. Pranav Reddy and Mr. Vinayendra Parvathaneni appointed as Non-Executive Directors w.e.f 04 November 2023.

***** Mr. Venkata Sudhakar Simhadri completed his tennure by 25 October 2023.

***** Mr. Srinivasa Rao Kakumanu appointed on 26 October 2023.

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

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Revenue from operations		
MosChip Technologies, USA	6,924.50	5,301.49
Reimbursement of expenses		
MosChip Technologies, USA	261.61	39.31
Professional charges		
MosChip Institute of Silicon Systems Private Limited	205.65	-
Loans - given		
MosChip Institute of Silicon Systems Private Limited	86.48	147.53
Interest income		
MosChip Institute of Silicon Systems Private Limited	16.86	13.01
Purchase of Material		
MosChip Technologies Limited	2,009.35	-
Loans repayment		
Mayuka Holdings Private Limited	(508.77)	(202.81)
Issue of equity shares		
Mayuka Holdings Private Limited (Conversion of loan) *	-	1,900.00
Smilax Corporate Services LLP	-	1,100.00
Interest expenses		
Ms. Asha Nimmagadda	24.06	62.70
Mayuka Holdings Private Limited	20.39	413.12
I Quest Enterprises Private Limited	192.52	-
Other Income		
Techwave Infotech Private Limited	-	191.65
Techwave Holdings PTE LTD	-	0.37
Transactions with Key Management Personnel		
Remuneration to Managing Director and CEO	540.44	320.00
Number of Stock Options Granted/outstanding to Managing Director and CEO	12.00	12.00
Remuneration to other Key Management Personal (including perquisite on exercise of ESOP options)	215.95	110.65
Number of Stock Options Granted/outstanding to Key Management Personnel	7.86	8.91

* Pursuant to the loan agreement, mutually agreed between Mayuka and the Company, the loan of ₹ 1,900 amount was converted to 3,112,203 equity shares of ₹ 2 with the premium of ₹ 59.02 and the balance amount will be repaid in 42 monthly instalments from Oct'22.

In FY2023-24 unsecured loan amount transferred to I Quest Enterprise Pvt. Ltd.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

34 Related party disclosures (Continued...)

c) Balances outstanding: (payable) / receivable

Particulars	As at 31-Mar-24	As at 31-Mar-23
Techwave Infotech Private Limited	(300.00)	(300.00)
MosChip Technologies, USA (Net)	3,532.38	2,690.41
MosChip Institute of Silicon Systems Private Limited, Advance / (Payable)	333.86	247.38
I Quest Enterprises Private Limited *	1,239.37	-
Mayuka Holdings Private Limited - Loan*	-	1,748.14

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail at arm's length and in ordinary course of business. Outstanding balances at the year-end are unsecured.

* In FY 24, Unsecured Loan transferred to I Quest Enterprises Private Limited

35 Segment information

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

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

Information on reportable segments for the year ended 31 March 2024 and 31 March 2023 is given below

Business Segment

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Revenue		
Semiconductor	18,641.85	14,465.44
Embedded	3,642.04	2,654.84
Total	22,283.89	17,120.28
Direct cost		
Semiconductor	14,516.60	10,095.51
Embedded	3,663.35	3,050.68
Segment operational income		
Semiconductor	4,125.25	4,369.93
Embedded	(21.31)	(395.84)
Total Operational income	4,103.93	3,974.09
Other income	321.53	445.62
Un allocated expenses	(2,096.47)	(1,986.51)
Finance cost	(557.37)	(742.29)
Depreciation and amortisation expenses	(1,149.70)	(1,163.92)
Profit before tax	621.92	526.99
Tax expenses	-	-
Profit after tax	621.92	526.99

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

35 Segment information (Continued)

Statement of Segment assets and segment liabilities

Particulars	As at 31-Mar-24	As at 31-Mar-23
Segment assets		
Semiconductor	16,086.98	12,928.24
Embedded	3,110.57	3,994.43
Un-allocable segment assets	17,451.54	4,306.16
Total	36,649.09	21,228.83
Segment liabilities		
Semiconductor	82.44	197.76
Embedded	389.83	59.06
Un allocable segment Liabilities	8,795.50	8,963.12
Total	9,267.77	9,219.94
Capital employed	27,381.32	12,008.89

36 Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under:

i. Defined contribution plans

The Company makes contributions to Provident Fund which is defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds.

The Company has recognized as expense in the Statement of Profit and Loss ₹ 221.26 (31 March 2023: ₹180.89) towards Provident Fund contributions.

ii. Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan is partially funded

Changes in Defined Benefit Obligation ('DBO') and planned assets recognized in the Balance Sheet are as under

Particulars	As at 31-Mar-24	As at 31-Mar-23
Defined benefit obligation at the beginning of the year	794.58	561.61
Service cost	171.53	110.91
Interest cost	55.19	26.35
Benefits paid	(94.64)	(56.38)
Actuarial gain	231.31	152.09
Defined benefit obligation at the end of the year	1,157.97	794.58
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	15.46	22.32
Employer Contributions	105.64	48.21
Actuarial (gain)/loss on plan assets	1.62	1.31
Benefits Paid	(94.64)	(56.38)
Fair value of plan assets at the end of the year	28.08	15.46
Present value of projected benefit obligation at the end of the year	1,157.97	794.58
Fair value of plan assets at the end of the year	28.08	15.46
Net liability recognised in the balance sheet	1,129.89	779.12
Non Current	941.58	645.39
Current	188.31	133.73

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

36 Details of employee benefits as required by the IND AS-19 – Employee Benefits are as under: (continued)

Expenses recognised in statement of profit and loss

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Service cost	171.53	110.91
Interest cost	55.19	26.35
Expenses recognised in statement of profit and loss	226.72	137.26
Gratuity cost		
Actuarial (gain) / loss due to financial assumption changes	20.83	(87.66)
Actuarial (gain) / loss due to experience adjustments	210.48	180.92
Actuarial (gain) / loss due to change in demographic assumptions	-	58.83
Return on plan assets greater / (less) than discount rate	(1.62)	(1.31)
Total expenses recognised in OCI	229.69	150.78
Assumptions		
Discount rate	7.15%	7.55%
Future salary increases	7.00%	7.00%
Employee turnover		
Age (years)		
21-30	15.00%	15.00%
31-40	23.00%	23.00%
41-50	19.00%	19.00%
51-59	24.00%	24.00%

Sensitivity analysis

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

Discount rate

Effect of + 0.5% change in rate of discounting	(2.24)%	(2.23)%
Effect of - 0.5% change in rate of discounting	2.10%	2.16%
Effect of + 0.5% change in rate of salary increase	2.34%	2.32%
Effect of - 0.5% change in rate of salary increase	(2.06)%	(2.11)%

The sensitivity results above determine their individual impact on defined benefit obligation.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and unfunded) is as follows:

	As at 31-Mar-24	As at 31-Mar-23
Within 1 year	216.41	149.18
Between 1 - 2 years	200.49	141.19
Between 2 - 3 years	189.00	130.61
Between 3 - 4 years	175.17	120.05
Between 4 - 5 years	156.68	107.36
Beyond 5 years	759.82	543.89

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

37 Dues to Micro, small and medium enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at, March 31, 2024 and March 31, 2023 is as under:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Dues remaining unpaid to any supplier		
Principal amount remaining unpaid less than 45 days	66.43	48.52
Interest due thereon for the year	-	-
(a) Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(b) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(c) Amount of interest accrued and remaining unpaid.	-	-
(d) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

38 Leases

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

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(b) Lease expenses recognised in Statement of Profit and Loss

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Expenses relating to short term leases (refer note 32)	29.01	32.22
(c) The movement in lease liabilities is as follows:		
Opening balance	2,688.88	877.50
Additions	-	2,270.35
Finance cost for the year	124.11	121.03
Payment of lease liabilities	(843.55)	(580.00)
Balance at the end	1,969.44	2,688.88

(d) The details of the contractual maturities of lease liabilities on an discounted basis are as follows:

Less than one year	833.25	850.54
One to five years	1,136.19	1,838.34
Total	1,969.44	2,688.88

(e) The total cash outflow for leases (excluding short term leases) for the year ended 31 March 2024 is ₹ 843.55 (31 March 2023: ₹ 580)

Notes forming part of the Standalone Financial Statements

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

39 Earnings per share

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

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

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

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Profit for the year	621.92	526.99
Profit attributable to equity share holders	621.92	526.99
Equity Shares outstanding as at the end of the year (in nos.)	188,135,799	166,566,789
Weighted average number of Equity Shares used as a denominator for calculating basic earnings per share	179,623,046	162,904,220
Add: Dilutive impact of employee stock options	11,907,834	11,749,763
Number of Equity Shares used as denominator for calculating diluted earnings per share	191,530,880	174,653,984
Earnings per share of par value ₹ 2 – Basic (₹)	0.35	0.32
Earnings per share of par value ₹ 2 – Diluted (₹)	0.32	0.30

40 Employee stock option plans (ESOP)

The Employee Stock Option Plans are designed to provide incentives to employees to deliver long-term returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The Company has established eight schemes i.e., Employee Stock Option Plan, MosChip Stock Option Plan 2005 (MI), MosChip Stock Option Plan 2005 (WOS), MosChip Stock Option Plan 2008, MosChip Stock Option Plan 2008(ALR), MosChip Stock Option Plan 2008(Director) and MosChip Stock Option Plan 2018, MosChip Stock Option Plan 2022 with 600,000 equity shares, 500,000 equity shares, 500,000 equity shares, 3,000,000 equity shares, 1,000,000 equity shares, 1,000,000 equity shares, 10,000,000 equity shares, and 10,000,000 equity shares respectively.

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

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

For year ended 31 March 2024						
Particulars	Options outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the period	Options outstanding at the end of the year
MosChip Stock Option Plan 2008	849,467	-	39,250	340,953	-	469,264
Moschip Stock Option Plan 2005 (MI)	99,953	-	-	99,953	-	-
Moschip Stock Option Plan 2005 (WOS)	305,570	-	-	42,500	-	263,070
Moschip Stock Option Plan 2008 (ALR)	368,461	-	3,000	105,335	-	260,126
Moschip Stock Option Plan 2008 (Director)	1,000,000	-	-	1,000,000	-	-
MosChip Stock Option Plan 2018	7,405,177	-	331,813	2,847,021	-	4,226,343
MosChip Stock Option Plan 2022	6,421,672	2,813,700	609,092	410,650	-	8,215,630

For year ended 31 March 2023						
Particulars	Options outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the period	Options outstanding at the end of the year
MosChip Stock Option Plan 2008	1,055,089	156,500	76,250	285,872	-	849,467
Moschip Stock Option Plan 2005 (MI)	131,619	-	-	31,666	-	99,953
Moschip Stock Option Plan 2005 (WOS)	286,250	45,070	12,000	13,750	-	305,570
Moschip Stock Option Plan 2008 (ALR)	605,334	-	38,585	198,288	-	368,461
Moschip Stock Option Plan 2008 (Director)	1,000,000	-	-	-	-	1,000,000
MosChip Stock Option Plan 2018	7,920,449	1,866,975	1,303,233	1,079,014	-	7,405,177
MosChip Stock Option Plan 2022	-	6,768,092	346,420	-	-	6,421,672

Notes forming part of the Standalone Financial Statements

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

40 Employee stock option plans (ESOP) (Continued..)

During the year a reserve was made towards outstanding of ESOP's and Share based payment expenses for the year ended 31 March 2024 of ₹ 1,141.30 (31 March 2023 ₹ 959.49).

The weighted average grant date fair value of the options granted during the years ended 31 March 2024 and 31 March 2023 was ₹94.59 and ₹ 77.77 per option respectively.

The weighted average share price at the date of exercise of options exercised during the years ended 31 March 2024 was ₹ 82.48 (31 March 2023 – ₹ 61.82) per share, respectively.

The aggregate intrinsic value of options exercised during the years ended 31 March 2024 and 31 March 2023 was ₹61.58 and ₹43.74, respectively

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2024

Grant date	Vesting period	Excise price	Share options	Weighted average remaining useful life (months)
26-Oct-18	4 Years	18.00	74,500	-
20-Jul-20	3 Years	16.00	896,388	-
25-Jan-21	4 Years	16.00	200,000	10
27-Apr-21	4 Years	18.00	75,000	13
20-Jul-21	4 Years	24.00	985,375	16
20-Oct-21	4 Years	31.28	82,750	18
17-Jan-22	4 Years	40.00	1,080,000	22
28-Apr-22	4 Years	40.00	211,050	25
14-Jul-22	4 Years	40.00	378,290	28
25-Oct-22	4 Years	40.00	6,114,940	31
25-Jan-23	4 Years	40.00	523,062	34
25-May-23	4 Years	50.00	346,200	38
17-Jul-23	4 Years	50.00	30,000	39
4-Nov-23	4 Years	50.00	2,383,000	43

Share options outstanding at the end of the year have the following expiry date and exercise prices as on 31 March 2023

Grant date	Vesting period	Excise price	Share options	Weighted average remaining useful life (months)
26-Oct-18	4 Years	18.00	1,280,000	-
20-Jul-20	3 Years	16.00	3,485,348	4
25-Jan-21	4 Years	16.00	300,000	22
27-Apr-21	4 Years	18.00	112,500	25
20-Jul-21	4 Years	24.00	1,406,125	28
20-Oct-21	4 Years	31.28	107,500	30
17-Jan-22	4 Years	40.00	1,370,000	34
28-Apr-22	4 Years	40.00	230,575	37
14-Jul-22	4 Years	40.00	447,010	40
25-Oct-22	4 Years	40.00	7,021,030	43
25-Jan-23	4 Years	40.00	690,212	46

Notes forming part of the Standalone Financial Statements

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

40 Employee Stock Option Plans (Continued..)

Valuation of stock options:

The fair value of services received in return for stock options granted to employees is measured by reference to the fair value of stock options granted. The fair value of stock options granted under various schemes have been measured using the Black-Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of par value options granted, the expected term of an option (or "option life") is estimated based on the vesting term and contractual term, as well as the expected exercise behaviour of the employees receiving the option. In respect of fair market value options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares. Dividend yield of the options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years.

The estimated fair value of stock options is recognised in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The model inputs for options granted during the year ended 31 March 2024 included:

Grant date	Vesting period	Expiry Date	Excise Price	Share Price at Grant Date	Expected price volatility of company's shares	Expected dividend yield	Risk free interest rate
26-Oct-18	4 Years	25-Oct-25	18.00	23.50	53%	-	8.04%
20-Jul-20	3 Years	19-Jul-26	16.00	14.80	55%	-	4.55%
25-Jan-21	4 Years	24-Jan-28	16.00	15.00	61%	-	4.58%
27-Apr-21	4 Years	26-Apr-28	18.00	30.85	60%	-	4.58%
20-Jul-21	4 Years	19-Jul-28	24.00	44.96	68%	-	4.58%
20-Oct-21	4 Years	19-Oct-28	31.28	47.55	66%	-	4.58%
17-Jan-22	4 Years	16-Jan-29	40.00	81.05	68%	-	5.21%
28-Apr-22	4 Years	27-Apr-29	40.00	62.60	66%	-	5.31%
14-Jul-22	4 Years	13-Jul-29	40.00	54.35	67%	-	5.37%
25-Oct-22	4 Years	24-Oct-29	40.00	67.50	58%	-	7.13%
25-Jan-23	4 Years	24-Jan-30	40.00	66.33	55%	-	7.06%
25-May-23	4 Years	24-May-30	50.00	61.04	51%	-	7.00%
17-Jul-23	4 Years	16-Jul-30	50.00	106.44	53%	-	7.00%
4-Nov-23	4 Years	3-Nov-30	50.00	84.31	50%	-	7.23%

The model inputs for options granted during the year ended 31 March 2023 included:

Grant date	Vesting period	Expiry Date	Excise Price	Share Price at Grant Date	Expected price volatility of company's shares	Expected dividend yield	Risk free interest rate
26-Oct-18	4 Years	25-Oct-25	18.00	23.50	53%	-	8.04%
20-Jul-20	3 Years	19-Jul-26	16.00	14.80	55%	-	4.55%
25-Jan-21	4 Years	24-Jan-28	16.00	15.00	61%	-	4.58%
27-Apr-21	4 Years	26-Apr-28	18.00	30.85	60%	-	4.58%
20-Jul-21	4 Years	19-Jul-28	24.00	44.96	68%	-	4.58%
20-Oct-21	4 Years	19-Oct-28	31.28	47.55	66%	-	4.58%
17-Jan-22	4 Years	16-Jan-29	40.00	81.05	68%	-	5.21%
28-Apr-22	4 Years	27-Apr-29	40.00	62.60	66%	-	5.31%
14-Jul-22	4 Years	13-Jul-29	40.00	54.35	67%	-	5.37%
25-Oct-22	4 Years	24-Oct-29	40.00	67.50	58%	-	7.13%
25-Jan-23	4 Years	24-Jan-30	40.00	66.33	55%	-	7.06%

As of 31 March 2024 and 31 March 2023, there was ₹ 2,014.12 and ₹ 2,626.34 respectively of total unrecognised compensation cost related to unvested stock options this cost is expected to be recognised over a weighted average period of 22.71 months and 28.73 months, respectively.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

41 Financial risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

(a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 is as follows:

Particulars	Fair value through profit or loss	At cost	Amortised cost	Total carrying value *
Financial asset				
Investment	-	15,945.34	-	15,945.34
Trade receivables	92.33	-	8,294.30	8,386.63
Other financial asset - non current	256.34	-	-	256.34
Cash and cash equivalents	-	-	11.29	11.29
Other bank balances	-	-	1,576.93	1,576.93
Other financial assets - current	-	-	796.33	796.33
Total	348.67	15,945.34	10,678.85	26,972.86
Financial liabilities				
Borrowings - long term	-	-	754.29	754.29
Lease liabilities - non current	-	-	1,136.19	1,136.19
Borrowings - short term	-	-	3,310.54	3,310.54
Lease liabilities - current	-	-	833.25	833.25
Trade payables	-	-	895.33	895.33
Other financial liabilities - Current	-	-	43.59	43.59
Total	-	-	6,973.19	6,973.19

The carrying value and fair value of financial instruments by categories as at March 31, 2023 is as follows:

Particulars	Fair value through profit or loss	At cost	Amortised cost	Total carrying value *
Financial asset				
Investments	-	2,526.87	-	2,526.87
Trade receivables - Non current	150.02	-	6,827.82	6,977.84
Other financial asset - non current	211.88	-	-	211.88
Cash and cash equivalents	-	-	24.19	24.19
Other bank balances	-	-	1,113.67	1,113.67
Other financial assets - current	-	-	763.12	763.12
Total	361.90	2,526.87	8,728.80	11,617.57
Financial liabilities				
Borrowings - long term	-	-	1,409.66	1,409.66
Lease liabilities - non current	-	-	1,838.34	1,838.34
Other financial liabilities - non current	-	-	80.00	80.00
Borrowings - short term	-	-	2,521.36	2,521.36
Trade payables	-	-	1,060.42	1,060.42
Lease liabilities - current	-	-	850.54	850.54
Other financial liabilities - current	-	-	6.77	6.77
Total	-	-	7,767.09	7,767.09

*The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled receivables, loans, trade payables, borrowing and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

41 Financial risk management framework (continued)

(b) Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with interest rates.

Interest rate sensitivity

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2024 would decrease/(increase) by ₹ 29.15 (31 March 2023: decrease/increase by ₹43.38. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 11,027.52 and ₹ 9,090.70 as of 31 March 2024 and 31 March 2023 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet date whether a financial asset or a Company of financial assets is impaired.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss allowance is based on the ageing of receivables and the rates in the provision matrix. Movement in the expected credit loss allowance is as follows:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Balance at the beginning of the year	1,393.59	1,250.68
Add: provision created during the year	75.12	142.91
Balance at the end of the year	1,468.71	1,393.59

Concentration risk

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks with high credit ratings assigned by credit rating agencies. Trade receivable - The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is a single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

41 Financial risk management framework (continued)

The following are the details of contractual maturities of significant financial transactions

Particulars	Less than 1 year	1-3 years	3 to 5 years	> 5 years	Total
Year ended 31 March 2024					
Borrowings - long term	-	742.27	12.02	-	754.29
Lease liabilities - non current	-	1,136.19	-	-	1,136.19
Borrowings - short term	3,310.54	-	-	-	3,310.54
Trade payables	895.33	-	-	-	895.33
Lease liabilities - current	833.25	-	-	-	833.25
Other Financial Liabilities - Current	43.59	-	-	-	43.59
Year ended 31 March 2023					
Borrowings - long term	-	1,348.73	60.93	-	1,409.66
Lease liabilities - Non current	-	1,713.59	124.75	-	1,838.34
Other Financial Liabilities - long term	80.00	-	-	-	80.00
Borrowings - short term	2,521.36	-	-	-	2,521.36
Trade payables	1,060.42	-	-	-	1,060.42
Lease liabilities - current	850.54	-	-	-	850.54
Other Financial Liabilities - current	6.77	-	-	-	6.77

c) Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2024 and 31 March 2023 was as follows:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Total equity attributable to the equity shareholders of the Company	27,381.32	12,008.89
As a percentage of total capital	87%	75%
Long term borrowings including current maturities	754.29	1,409.66
Short term borrowings	3,310.54	2,521.36
Total borrowings	4,064.83	3,931.02
As a percentage of total capital	13%	25%
Total capital (equity and borrowings)	31,446.15	15,939.91

42 Goodwill

Goodwill arising upon business combinations is not amortised but tested for impairment periodically, if there are any impairments indications.

Particulars	As at 31-Mar-24	As at 31-Mar-23
Gross carrying value		
Opening balance	5,511.00	5,511.00
Goodwill arising on business combination	-	-
Closing balance	5,511.00	5,511.00

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

42 Goodwill (continued)

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Company at which goodwill is monitored for internal management purposes and which is not higher than the Company's operating segment.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include:

- The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.
- Average gross margins achieved in the period immediately before the budget margin period, increased for expected efficiency improvements. This reflects past experience, except for efficiency improvements.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 0%. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The after tax discount rates used are based on the Company's weighted average cost of capital.
- The after tax discount rates used for various cash generating units.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

43 Taxes

The Company has carried forward unabsorbed depreciation amounting to ₹ 5,343.54 (as at 31 March 23 ₹ 5,413.61) under the Income tax Act, 1961, for which there is no expiry date for tax utilisation. Further, the Company also has carried forward losses aggregating to ₹ 1,089.33 (as at 31 March 2023 ₹ 1,006.38) under the Income tax Act, 1961 which gets expired within 8 years of the respective years. The carried forward losses will get expired mainly during the years 2030 to 2031.

Accordingly, deferred tax asset has not been recognised in respect of unabsorbed losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future.

44 Business combinations during the year 2023-24:

Softnautics Inc.,

On March 28, 2023, the Company entered into a Share Purchase Agreement (SPA) to acquire 100% of the issued capital of Softnautics Inc. Softnautics Inc became a subsidiary of the Company 07 June 2024 on satisfactory completion of the closing conditions under the SPA.

45 Additional regulatory information

a. Details of benami property held

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

b. Relationship with struck off Companies

The Company doesn't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

c. Revaluation of property, plant and equipment, intangible assets and investment property

The Company has not done revaluation of property, plant and equipment / intangible assets/ investment property.

d. The Company has not been declared as wilful defaulter by any bank or financial institution or RBI or other lenders.

e. Undisclosed income

The Company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

f. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

g. Registration of charges or satisfaction with registrar of companies

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

h. Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

i. The company has not advanced any loan / advances in the nature of loan to promoters, directors, KMP's or related parties as defined under Companies Act, 2013 either jointly or severally with any persons except a demand loan to a wholly owned subsidiary company with an interest.

j. The company has borrowings from Banks are Financial Institutions on the basis of security current assets, Monthly returns or Statement of the current assets filed by the Company with Banks or Financial Institutions are agreement with the Books of Accounts.

k. There are no Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the companies Act, 2013.

l. For ratios refer note 48

Notes forming part of the Standalone Financial Statements

All amounts in ₹ lakhs

45 Additional regulatory information (continued)

I. Intangible assets under development

Intangible assets under development aging schedule

Particulars	Amount in IUD for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	904.60	-	-	-	904.60

Intangible assets under development mainly includes IP development of a Smart energy meter under the Vidyut project.

46 Disclosure as per section 186 of the Companies Act,2013

The details of investments made under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in Note 6, these investments are made for business activities.

Name of the entity to whom loan / investment / guarantee / security was given / made	Relationship, if any, of the entity with the company	Amount of / Investment Rs.	Particulars of Investments made	Purpose for which the loan or guarantee or security is proposed to be utilised by the recipient.
MosChip Institute of Silicon Systems Pvt. Ltd.	Subsidiary	333.86	Loan	Working capital
MosChip Technologies, USA		2,244.69	Investment-Equity	Not applicable
MosChip Technologies, WLL		2.18		
MosChip Institute of Silicon Systems Pvt. Ltd.		200.00		
Softnautics Inc.		13,498.47		

47 No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

48 The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

Sl. No.	Particulars	Numerator	Denominator	Year ended 31-Mar-24	Year ended 31-Mar-23	Variance	Remarks
a	Current ratio (no. of times)	Current assets	Current liabilities	1.89	1.90	-1%	
b	Debt – Equity Ratio (no. of times)	Total Debt (represents lease liabilities) (1)	Shareholder's Equity	0.22	0.55	-60%	Note i
c	Debt service coverage ratio (no. of times)	Earnings available for debt service(2)	Debt Service(3)	0.80	0.88	-9%	
d	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	3.16%	5.45%	-42%	Note ii
e	Trade receivables turnover ratio	Revenue	Average Trade Receivable	2.95	2.97	-1%	
f	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.02	0.72	365%	Note iii
g	Net capital turnover ratio	Revenue	Working Capital	4.04	3.75	8%	
h	Net profit ratio	Net Profit	Revenue	2.79%	3.08%	-9%	
i	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	5.34%	19.09%	-72%	Note iv
j	Return on Investment (ROI) (5)	Income generated from investments	Time weighted average investments	NA	NA	NA	

- 1 Total Debts = Borrowings + Leased Liabilities
- 2 Earnings available for Debts Service = Net Profit after taxes + Non-cash operating expenses + Interest - Non-cash operating incomes
- 3 Debt Services = Borrowings + Leased Liabilities
- 4 Capital Employed = Tangible net worth + Lease Liabilities
- 5 Return on investments of the company "Not Applicable" as the company doesn't have traded investments

Notes

- i. Decrease in debt - equity ratio is due to issue of equity shares on preferential basis.
- ii. Decline in return on equity due to fresh issue of equity share on preferential basis with stable profits
- iii. Increase is due to increase in cost of materials consumed
- iv. Decline in return on capital employed due to fresh issue of equity share on preferential basis with stable profits

Notes forming part of the Standalone Financial StatementsAll amounts in ₹ lakhs

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

As per our report of even date attached

For ST Mohite & Co

Chartered Accountants

ICAI Firm Registration No: 011410S

For and on behalf of the Board

MosChip Technologies Limited**Hima Bindu Sagala**

Partner

Membership No.: 231056

ICAI UDIN: 24231056BKFSW4085

Srinivasa Rao Kakumanu

Managing Director & CEO

DIN : 06726305

Damodar Rao Gummadapu

Director

DIN : 07027779

Jayaram Susarla

Chief Financial Officer

Suresh Bachalakura

Company Secretary

M. No: ACS 39381

Place: Hyderabad

Date: 06 May 2024

Place: Hyderabad

Date: 06 May 2024

NOTICE OF 25th ANNUAL GENERAL MEETING

Notice is hereby given that the 25th (Twenty Fifth) Annual General Meeting (AGM) of the members of MosChipTechnologies Limited will be held on Saturday, the 28th day of September, 2024 at 05.00 p.m.(IST) through Video Conferencing ("VC") / Other Audio Visual Means("OAVM"),to transact the following businesses:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2024 together with the reports of the Board of Director's and the Auditor's thereon and in this regard to pass the following resolution as an Ordinary Resolution.**

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2024 together with the reports of the Auditor's and Director's thereon and the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2024 together with the report of the auditor's thereon be and are hereby received, considered, approved and adopted."

- 2. To appoint a Director in place of Mr. Damodar Rao Gummadapu (DIN: 07027779), who retires by rotation and being eligible offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.**

"RESOLVED THAT Mr. Damodar Rao Gummadapu (DIN: 07027779), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

- 3. To appoint a Director in place of Mr. Naveed Ahmed Sherwani (DIN:10199022), who retires by rotation and being eligible offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.**

"RESOLVED THAT Mr. Naveed Ahmed Sherwani (DIN: 10199022), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

By Order of the Board of Directors

Place: Hyderabad
Date: 05th September, 2024

CS Suresh Bachalakura
Company Secretary
(A39381)

Registered office address:
7th Floor, My Home Twitza,
TSIIC Hyderabad Knowledge City,
Hyderabad, Telangana – 500081.

NOTES:

- The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-2, of the persons seeking appointment / re-appointment as Directors / Managing Director are also annexed.
- In accordance with the applicable MCA Circulars, SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- The Company has made arrangements through its Registrar & Transfer Agent (RTA), KFin Technologies Limited (formerly known as 'KFin Technologies Private Limited') ("KFintech"), to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the AGM and for conducting of the e-AGM. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

4. Pursuant to the provisions of Section 105 the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/ her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the applicable MCA and SEBI Circulars, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. Corporate Members intending to depute their authorized representatives to attend the Meeting through VC/ OVAM are requested to send to the Company a certified true copy of the Board Resolution together with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend and vote at the Meeting on their behalf.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
8. The Board of Directors of the Company has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 22nd day of September, 2024 to Saturday, the 28th day of September, 2024 (both days inclusive).
10. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled-in to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs for availing this facility.
11. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to KFin Technologies Private Limited in case the shares are held by them in physical form.
12. As per Regulation 40 of the Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, M/s. KFin Technologies Private Limited, Hyderabad for assistance in this regard.
13. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide their PAN details to their respective DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
14. In accordance with, the MCA Circulars and SEBI Circulars, the Notice of AGM & 25th Annual Report is being sent only in electronic mode to Members whose e-mail addresses are registered with the Company or the Depository Participant(s).

As physical copy of the AGM Notice will not be sent by the modes permitted under Companies Act, 2013, the AGM Notice is available on the Company's website at <https://www.moschip.com> and website of the Stock Exchange i.e. BSE Limited at <https://www.bseindia.com/> and on the website of Registrar and Share Transfer Agent at <https://www.kfintech.com>.

15. Members desiring any information with regard to AGM are requested to write to the Company at an early date so as to enable the management to keep the information ready.
16. The registers i.e Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available electronically for inspection by members during the AGM. All documents referred to in this Notice and

the Explanatory Statement annexed hereto will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. September 28, 2024. Members seeking to inspect such documents can send an email to investorrelations@moschip.com.

17. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository participants (DPs), in case the shares are held by them in electronic form/Demat form and with KFin Technologies Private Limited, in case the shares are held by them in physical form for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically. Alternatively, members holding shares in physical form are requested to send their email address and mobile number to the company mail id **investorrelations@moschip.com**.

18. PROCEDURE FOR REMOTE E-VOTING

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolution(s) set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process will be enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences on Wednesday, 25th September, 2024 at 9:00 A.M. and ends on Friday, 27th September, 2024 at 5:00 P.M. The remote e-voting module will be disabled by KFinTech thereafter.
- v. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 20, 2024.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
 - Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
 - Step 2:** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
 - Step 3:** Access to join virtual meetings (e-AGM) of the Company on KFinTech system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> i. Visit URL: https://eservices.nSDL.com/ ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> i. To register click on link : https://eservices.nSDL.com/ iii. Select "Register Online for IDeAS" or click at: https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL <ol style="list-style-type: none"> i. Open URL: https://www.evoting.nSDL.com/ ii. Click on the icon "Login" which is available under Shareholder/Member' section. iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will be requested to select the name of the company and the eVoting Service Provider name, i.e. KFintech. v. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
<p>Individual Shareholders holding securities in www.cdslindia.com/ demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> i. Visit URL: https://web.cdslindia.com/myeasi/home/loginor URL: http:// ii. Click on New System Myeasi iii. Login with your registered user id and password. iv. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. v. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest <ol style="list-style-type: none"> i. Option to register available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1.

	<p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>i. Visit URL: www.cdslindia.com http://www.cdslindia.com/</p> <p>ii. Provide your demat Account Number and PAN No.</p> <p>iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>iv. After successful authentication, user will be provided links for the respective ESP, i.e Kfintech where the e- Voting is in progress.</p>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote eVoting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 8428, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'MOSCHIP TECHNOLOGIES LIMITED - AGM" and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id cs@bssandassociates.com with a copy marked to evoting@kfintech.com. The scanned image of the abovementioned documents should be in the naming format "Corporate Name Even No."
- B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number registered with Kfintech, by accessing the link:<https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Notice of AGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investor.relations@MosChip.com. Questions /queries received by the Company till 11 AM on Thursday, September 26, 2024 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through evoting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com/> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration', which will remain open from Monday, September 23, 2024, 09:00 A.M. till Thursday, September 26, 2024, 5:00 P.M. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will remain open from Monday, September 23, 2024, 09:00 A.M. till Thursday, September 26, 2024, 5:00 P.M.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com/> (KFintech Website) or contact Mr. V Raghunath, Manager – RIS, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 20, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, August 30, 2024. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL: MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
 3. Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- VI. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses, who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, within the prescribed time limit after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman or any other person authorised by him shall declare the result of the voting forthwith.
- VII. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at <https://www.moschip.com> and Service Provider's website at <https://evoting.kfintech.com/> and the communication will be sent to the BSE Limited.

Details of Directors seeking Re-appointment in the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2.

Particulars	Mr. Damodar Rao Gummadapu	Mr. Naveed Ahmed Sherwani
DIN	07027779	10199022
Date of Birth & Age	08 th June, 1970 & 54 years	25 th April, 1960 & 64 years
Date of First Appointment	27/04/2018	17/06/2023
Designation/category of the Director	Non-Executive & Non Independent Director	Non-Executive & Non Independent Director
Qualifications	Commerce Graduate, Qualified Chartered Accountant from ICAI and Cost Accountant..	MS and PhD
Expertise in specific functional areas	Entrepreneur & SAP Consultant & Information Technology solutions, Finance & Administration.	Experience in Design, Manufacturing and Marketing of Various Integrated Chips (ICs), Semiconductor and Systems
Experience (in years)	26 years	41 years
Remuneration last drawn	No remuneration was drawn	Not applicable
Remuneration sought to be paid	Payment of sitting fees for attending meeting of Board of Directors and Committees thereof.	Payment of sitting fees for attending meeting of Board of Directors and Committees thereof.
Terms and conditions of appointment or re-appointment	Appointment as a Non-Executive Director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as a Non-Executive Director subject to retirement by rotation under Section 152 of the Companies Act, 2013
Directorships held in other public companies (excluding foreign Companies and Section 8 companies) Names of listed Companies, if any.	Nil	Nil
Member of the Committees of other Companies on which he/she is a Member	Nil	Nil
Chairmanship of the Committees of other Companies.	Nil	Nil

Names of listed entities from which the person has resigned in the past three years	Nil	Nil
Number of equity shares held in the Company	2,04,000	Nil
Shareholding as a beneficial owner	10.49 %	Nil
No of Board Meetings attended during the last year	04	08
Disclosure of Inter-se relationship between Directors and KMP's.	No inter-se relationship between Directors and KMP's	No inter-se relationship between Directors and KMP's
In the case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not applicable	Not applicable

The profile of the Directors is available on the Company's website at <https://moschip.com/board-of-directors/>



PROGRESSIVE ENGINEERING EXCELLENCE

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PUNE

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