

## ACCELERATING TRANSFORMATION TOWARDS SOFTWARE DEFINED VEHICLES



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**KPIT TECHNOLOGIES (UK) LIMITED**

Registered Office: Gautam House, 1-3 Shenley Avenue, Ruislip Manor, Middlesex HA4 6BP

**STRATEGIC REPORT****FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their strategic report for the year ended 31 March 2022.

**Overall Business Environment and Update on the Global Health Pandemic : COVID -19**

The Global economy was severely impacted in FY'21 and in the initial period of FY'22. The pandemic had its impact on all spheres of the economy driving unemployment and resulting in contraction of world output. Now that most of the people are fully vaccinated, life is on the verge of becoming normal due to which the economy has shown signs of revival. The IMF latest forecasts have projected the global economy is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Global growth is expected to slow to 3.8 percent in 2023.

With various governments rapidly implementing inoculation programs, covering large sets of the populations, future risks of any economic stoppages have been reduced to a considerable extent. The economic damage due to the pandemic was also addressed by Fiscal and Monetary Stimulus, led by the developed world economies such as the UK. The economic policies promise to remain supportive of growth.

The governments' fiscal stimulus has supported the economy. It is estimated that, private consumption is expected to recover sharply in FY'23 and shall be the key driver of the recovery. But there also lie downside risks to growth emerging out of the uncertain course of the war in Europe, high inflation and energy security issues from any oil or gas supply shock. The course of these factors would play a key role in the trajectory of economic growth.

**Review of Business**

The Directors are pleased to report that the financial year as of March 31, 2022 ended on a more optimistic note as compared to March 2021 on the onset of the COVID pandemic situation.

The Automotive Industry saw a positive recovery in FY'22 where growth is now expected to be in double digits in FY'23. The coming decade promises to be one of the largest in terms of Investments for Automakers. Megatrends driven by Connectivity, Autonomous, Shared mobility and Electrification (CASE) continue their secular adoption, as they persist to disrupt the Industry. The coming years will also see investments getting prioritized by Automakers in areas of digital and customer experience. In the UK territory, the overall economic scenario was mixed in FY'22 due to ongoing COVID pandemic. As compared to the previous year, the territory did show the positive growth in our focus practices and the sales cycle continue to remain long.

During this year, our revenue stood at GBP 15.95 million, a Y-o-Y growth of 22% against GBP 13.02 Million in FY'21. The EBITDA for FY'22 stood at 1.38 % as against 1.46% for FY'21. The EBITDA for FY'22 was GBP 0.22 million. The Net Profit for FY'22 stood at GBP 0.20 million.

During the year, the company had declared and paid dividend of GBP 1,000,000 to its holding company KPIT Technologies Limited, India.

With respect to liquidity, the Cash Balance as at March 31, 2022 stood at GBP 7.39 million as against GBP 2.97 million as at March 31, 2021. The Days Sales Outstanding (DSO) were at 43 days as at March 31, 2022 as against 93 days as at March 31, 2021. We have consistently focused on faster cash conversion and as a result have been able to bring down the Days Sales Outstanding (DSO) substantially.

The total headcount for the company stood at 66 as at the end of FY'22. The same was 72 as at the end of FY'21. The Development Headcount was 61 in FY'22 as against 67 in FY'21.

In the medium term, we want to focus on improvement in operating profitability with emphasis

on productivity improvement, increase in offshore revenues, leveraging of fixed costs and scaling up in our strategic accounts. The Company has taken appropriate measures to tackle the business uncertainties during the year and has also taken measures to control the cost significantly.

Considering better momentum with our customers and in the Automotive Industry, we expect that the Company's financial performance for the next financial year FY'23 will improve and will be in a better shape than in FY'22. The Company will continue to make efforts to capture growth and take appropriate measures to increase sales in FY'23.

**ON BEHALF OF THE BOARD:**

P Sathe - Director  
25 April 2022

# REPORT OF THE DIRECTORS

## FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was marketing and sale of computer software products, operating in conjunction with KPIT Technologies Limited, the parent company which is registered in India.

### DIVIDENDS

The total distribution for the year ended 31 March 2022 was £1,000,000.

### DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

K P Patil

D Koshal

P Sathe

A Talaulicar

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash and liquid resources, various items such as trade debtors, trade creditors etc that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, interest rate risk, credit risk, and market risk.

#### Liquidity risk

The company has to manage the financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

#### Credit risk

The company financial asset is cash. It is exposed to credit risk in respect of its cash balances as it uses only one financial institution in the UK.

#### Foreign exchange risk management

Foreign currency transaction exposures arising on internal and external trade flows are partially hedged. The company's objective is to minimise the exposure of overseas trade to transaction risk by matching local currency income with local currency costs where possible, as well as maintaining multi-currency accounts to minimise conversions.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position

of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors

are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P Sathe - Director  
25 April 2022

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KPIT TECHNOLOGIES (UK) LIMITED

## Opinion

We have audited the financial statements of KPIT Technologies (UK) Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiries of management, concerning the company's policies and procedures relating to:
  - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

- o Performed analytical procedures to identify any unusual relationships.
- o Tested journal entries to identify unusual transactions.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other

purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S Phadke (Senior Statutory Auditor)  
for and on behalf of Butler & Co LLP  
Chartered Accountants  
& Statutory Auditor  
Third Floor  
126-134 Baker Street  
London  
W1U 6UE

25 April 2022

# INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
<b>TURNOVER</b>	3	15,949,470	13,016,157
Cost of sales		13,677,489	11,174,645
<b>GROSS PROFIT</b>		2,271,981	1,841,512
Administrative expenses		2,156,549	1,872,432
<b>OPERATING PROFIT/(LOSS)</b>	5	115,432	(30,920)
Interest receivable and similar income		129,614	75,806
		245,046	44,886
Interest payable and similar expenses	7	7	438
<b>PROFIT BEFORE TAXATION</b>		245,039	44,448
Tax on profit	8	46,500	6,022
<b>PROFIT FOR THE FINANCIAL YEAR</b>		198,539	38,426

The notes form part of these financial statements

## OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
PROFIT FOR THE YEAR		198,539	38,426
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		198,539	38,426

The notes form part of these financial statements

# BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		4,848		5,259
Investments	11		15,100,198		15,100,198
			15,105,046		15,105,457
<b>CURRENT ASSETS</b>					
Debtors	12	6,235,359		9,534,819	
Cash at bank		7,385,707		2,974,169	
		13,621,066		12,508,988	
<b>CREDITORS</b>					
Amounts falling due within one year	13	6,625,633		4,712,535	
<b>NET CURRENT ASSETS</b>			6,995,433		7,796,453
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			22,100,479		22,901,910
<b>PROVISIONS FOR LIABILITIES</b>	15		702		672
<b>NET ASSETS</b>			<b>22,099,777</b>		<b>22,901,238</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		14,990,616		14,990,616
Retained earnings	17		7,109,161		7,910,622
<b>SHAREHOLDERS' FUNDS</b>			<b>22,099,777</b>		<b>22,901,238</b>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 25 April 2022 and were signed on its behalf by:

P Sathe - Director

The notes form part of these financial statements

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Retained earnings	Total equity
	£	£	£
<b>Balance at 1 April 2020</b>	14,990,616	7,872,196	22,862,812
<b>Changes in equity</b>			
Total comprehensive income	-	38,426	38,426
<b>Balance at 31 March 2021</b>	14,990,616	7,910,622	22,901,238
<b>Changes in equity</b>			
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	-	198,539	198,539
<b>Balance at 31 March 2022</b>	<b>14,990,616</b>	<b>7,109,161</b>	<b>22,099,777</b>

The notes form part of these financial statements

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	5,219,977	(101,798)
Interest paid		(7)	(438)
Finance costs paid		13,437	-
Tax paid		50,943	7,555
Net cash from operating activities		5,284,350	(94,681)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,426)	(2,904)
Interest received		129,614	75,806
Net cash from investing activities		127,188	72,902
<b>Cash flows from financing activities</b>			
Equity dividends paid		(1,000,000)	-
Net cash from financing activities		(1,000,000)	-
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>4,411,538</b>	<b>(21,779)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2</b>	<b>2,974,169</b>	<b>2,995,948</b>
<b>Cash and cash equivalents at end of year</b>	<b>2</b>	<b>7,385,707</b>	<b>2,974,169</b>

The notes form part of these financial statements

# NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

## 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	245,039	44,448
Depreciation charges	2,837	10,109
Loss on disposal of fixed assets	-	49,283
Amounts owed by / to group undertakings	1,415,219	-
Finance costs	7	438
Finance income	(129,614)	(75,806)
	<b>1,533,488</b>	<b>28,472</b>
(Increase)/decrease in trade and other debtors	(889,918)	2,417,198
Increase/(decrease) in trade and other creditors	4,576,407	(2,547,468)
<b>Cash generated from operations</b>	<b>5,219,977</b>	<b>(101,798)</b>

## 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

### Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	7,385,707	2,974,169

### Year ended 31 March 2021

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	2,974,169	2,995,948

## 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21	Cash flow	At 31/3/22
	£	£	£
<b>Net cash</b>			
Cash at bank	2,974,169	4,411,538	7,385,707
	2,974,169	4,411,538	7,385,707
<b>Total</b>	<b>2,974,169</b>	<b>4,411,538</b>	<b>7,385,707</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

### 1. STATUTORY INFORMATION

KPIT Technologies (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### Going concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The Directors, having made appropriate enquiries, consider that adequate resources exist for the company to continue in operational existence for the foreseeable future; and with the continued support of the company's shareholders, the company will be able to meet its liabilities as they fall due for payment. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2022.

Since the financial year end, there are uncertainties relating to the COVID19 pandemic. The directors have analysed how the risk might affect the company financial resources and ability to continue operations and have nothing to report in this respect. The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. No provisions have been made in the financial statements.

#### Turnover

Turnover represents amounts receivable for services provided net of VAT. Revenue is recognised on approval by the customer, providing all obligations have been fulfilled. .

Revenue for time & material contracts, invoices are raised on the basis of customer approved timesheets. In case of fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance / sign-off received from customer.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold - Over the lease term

Fixtures and fittings - 10% to 12.5% on cost

Plant & machinery - 25% to 33.33% on reducing balance

#### Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

#### Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

## 3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	14,027,257	10,086,619
Europe	1,845,264	2,866,509
United States of America	74,324	63,029
Asia	2,625	-
	<b>15,949,470</b>	<b>13,016,157</b>

## 4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,935,992	4,249,448
Social security costs	512,470	547,193
Other pension costs	28,936	30,678
	<b>4,477,398</b>	<b>4,827,319</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

The average number of employees during the year was as follows:

	2022	2021
	£	£
Marketing, Sales & Delivery	65	71
Administration	1	1
	<b>66</b>	<b>72</b>

	2022	2021
	£	£
Directors' remuneration	381,828	320,953

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<b>381,828</b>	<b>320,953</b>

### 5. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging:

	2022	2021
	£	£
Other operating leases	51,750	49,435
Depreciation - owned assets	2,837	10,109
Loss on disposal of fixed assets	-	49,283
Foreign exchange differences	<b>49,906</b>	<b>138,094</b>

### 6. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<b>18,585</b>	<b>18,315</b>

Legal and professional fees include £14,108 for the provision of a non- audit services i.e.: payroll and taxation compliance.

### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	7	438

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 8. TAXATION

### Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	46,470	5,350
Deferred tax	30	672
Tax on profit	<b>46,500</b>	<b>6,022</b>

### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<b>245,039</b>	<b>44,448</b>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	46,557	8,445
Effects of:		
Utilisation of tax losses	-	(13,767)
Excess of depreciation over capital allowance	28	10,672
Deferred tax	30	672
Under/over provision	(115)	-
Total tax charge	<b>46,500</b>	<b>6,022</b>

## 9. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Interim	<b>1,000,000</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 10. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Totals
	£	£	£
<b>COST</b>	42,889	1,261	44,150
At 1 April 2021	2,426	-	2,426
Additions			
At 31 March 2022	45,315	1,261	46,576
<b>DEPRECIATION</b>			
At 1 April 2021	37,630	1,261	38,891
Charge for year	2,837	-	2,837
At 31 March 2022	40,467	1,261	41,728
<b>NET BOOK VALUE</b>			
At 31 March 2022	<b>4,848</b>	-	<b>4,848</b>
At 31 March 2021	<b>5,259</b>	-	<b>5,259</b>

## 11. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
<b>COST</b>	
At 1 April 2021	
and 31 March 2022	15,100,198
<b>NET BOOK VALUE</b>	
At 31 March 2022	<b>15,100,198</b>
At 31 March 2021	<b>15,100,198</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

The company's investments at the Balance Sheet date in the share capital of companies include the following:

### KPIT Technologies GmbH

Registered office: Adams-Lehmann-Straße 109, 80797 München

Nature of business: IT services

	%	
Class of shares:	holding	
Ordinary	100.00	
	2022	2021
	£	£
Aggregate capital and reserves	17,482,090	11,836,772
Profit for the year	6,013,823	1,283,721

KPIT Technologies (UK) Limited is acting as a 'Guarantor'. As per the agreement the guarantor shall pay all such amounts payable by KPIT Technologies GmbH as though the guarantor instead of KPIT Technologies GmbH was expressed to be the principal debtor.

### Thaigertec Co LTD

Registered office: Rungrojthanakul Building, 14th Floor, 44/1 Ratchadapisek Road, Huay Kwang District, Bangkok

Nature of business: IT services

	%	
Class of shares:	holding	
Ordinary	98.31	
	2022	2021
	£	£
Aggregate capital and reserves	783,567	618,233
Profit/(loss) for the year	189,539	(203,025)

The financial statements contain information about KPIT Technologies (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 399-402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group.

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	5,642,029	4,674,232
Amounts owed by group undertakings	49,257	4,216,013
Other debtors	349,453	567,385
Tax	-	22,622
Prepayments and accrued income	194,620	54,567
	<b>6,235,359</b>	<b>9,534,819</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed to group undertakings	1,463,606	2,349,651
Tax	74,791	-
Social security and other taxes	8,073	10,329
VAT	973,963	770,404
Other creditors	3,217,369	578,401
Accrued expenses	887,831	1,003,750
	<b>6,625,633</b>	<b>4,712,535</b>

## 14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	<b>9,080</b>	<b>9,080</b>

## 15. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	702	672

	Deferred tax
Balance at 1 April 2021	672
Provided during year	30
Balance at 31 March 2022	<b>702</b>

## 16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
14,990,616	Ordinary	£1	14,990,616	14,990,616

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 17. RESERVES

	Retained earnings
	£
At 1 April 2021	7,910,622
Profit for the year	198,539
Dividends	(1,000,000)
At 31 March 2022	<b>7,109,161</b>

## 18. ULTIMATE PARENT COMPANY

The ultimate controlling party and ultimate and immediate parent company is KPIT Technologies Limited, a company registered in India.

KPIT Technologies Limited is the parent undertaking of the only group for which consolidated financial statements are prepared. These financial statements may be obtained by the public form KPIT Campus, Number-17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Hinjawadi, Pune . 411057

## 19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2022 and 31 March 2021:

	2022	2021
	£	£
P Sathe		
Balance outstanding at start of year	-	32,502
Amounts repaid	-	(32,502)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	-

## 20. RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard No. 102.33.1A, transactions with other group undertakings have not been disclosed in these financial statements.

# TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£	£	£	£
<b>Sales</b>		15,949,470		13,016,157
<b>Cost of sales</b>				
Purchases	10,475,520		7,329,090	
Wages	2,796,018		3,387,293	
Social security	378,888		429,595	
Pensions	27,063		28,667	
		<b>13,677,489</b>		<b>11,174,645</b>
<b>GROSS PROFIT</b>		<b>2,271,981</b>		<b>1,841,512</b>
<b>Other income</b>				
Deposit account interest		129,614		75,806
		<b>2,401,595</b>		<b>1,917,318</b>
<b>Expenditure</b>				
Directors' salaries	381,828		320,953	
Directors' social security	51,472		43,078	
Directors' pension contributions	1,321		1,313	
Wages	758,146		541,202	
Social security	82,110		74,520	
Pensions	552		698	
Rent	51,750		49,435	
Rates and water	12,491		3,818	
Insurance	37,356		31,127	
Light and heat	611		201	
Office expenses	7,137		7,206	
Telephone	5,840		8,239	
Post and stationery	2,488		2,313	
Travelling	260,882		288,809	
Repairs and renewals	13,971		8,489	
Staff Welfare	16,647		4,187	
Sundry expenses	1,252		20,639	
Legal and professional fees	220,900		109,197	
Auditors' remuneration	18,585		18,315	
Foreign exchange losses	49,906		138,094	
Marketing expenses	62,762		31,600	
Bad debts	66,102		85,868	
		<b>2,104,109</b>		<b>1,789,301</b>
		<b>297,486</b>		<b>128,017</b>

# TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£	£	£	£
<b>Finance costs</b>				
Bank charges	36,171		23,739	
Factoring charges	13,432		-	
Bank interest	7		438	
		<b>49,610</b>		<b>24,177</b>
Brought forward		247,876		103,840
<b>Depreciation</b>				
Plant and machinery		2,837		10,109
		<b>245,039</b>		<b>93,731</b>
<b>Loss on disposal of fixed assets</b>				
Plant and machinery		-		49,283
<b>NET PROFIT</b>		<b>245,039</b>		<b>44,448</b>

**KPIT Technologies GmbH****MANAGEMENT REPORT FOR THE FISCAL YEAR 2021-22****I. Fundamental information about the company**

The Company provides Engineering services to its customers in Germany, predominantly in Automotive that include major Automotive OEMs and Tier 1 Companies. Solutions offered to these customers are Software products and platforms in AUTOSAR, ADAS, Powertrain (Conventional and Electric), Infotainment & Diagnostic tooling (ODX/OTX). The Company also offers engineering services around embedded software development and testing of Electronic Control Units (ECUs). The ECUs are typically in Powertrain, AD/ADAS, Infotainment, Diagnostics and Body & Chassis. We have been investing in and creating non-linear solutions in this domain, which would contribute in increasing the overall IP, based revenues for the Company

The company is headquartered in Munich and has Engineering Centers and Sales offices set up in Wolfsburg and Dortmund. The Company has implemented global MPLS connectivity to connect to KPIT offices around the world and deployed Telepresence solution (High-Definition Video Conferencing). This has helped company to demonstrate global capabilities to customers seamlessly and has also helped with the integration of the German employees of KPIT into the larger global KPIT ecosystem.

**II. Report on Economic Position**Macro-economic and Sector-specific Environment

The German Gross domestic product (GDP) was higher by 2.7% in 2021 as per the German Federal Statistics Office (Destatis) in real terms. The German GDP level was still 2% below 2019 after the economy shrank 4.6% due to economic impact of the outbreak of Covid-19 Pandemic. As governments aggressively ran inoculation programs and brought the level of infection rates down along with a reduced severity, economic activity has been returning to normal.

For the manufacturing, the gross value-add in the sector grew 4.4% in 2021. The Manufacturing and Services PMI mostly remained over the 50-mark indicating expansion of economic activity. Though lately the Manufacturing activity was in a declining trend (but over 50) the Services PMI has shown a pickup.

The emergence of the conflict in Europe may increase downside risks to the economy as risk of energy security emerge and sticky inflation can dampen growth. As global central banks begin a cycle of monetary tightening which may lead to a growth moderation. Economic activity in most sectors has not yet returned to pre-crisis levels despite the growth seen in 2021.

Automotive sales fell by 10% in 2021 as shortage of semiconductors strangled production but with the situation improving.

On the positive, Auto Majors in Germany have already unmarked large investments in future technologies from 2021 through 2025, as share of investments into electrification and digitalization increase and business shifts from ICE to EV along and emergence of Autonomous driving and the ecosystem of connected vehicles mature. These investments would be beneficial for our business as we continue to partner in technology development.

For 2022, the German Government cut its GDP growth from 3.6% to 2.2% exacerbated by the recent outbreak of the conflict in Europe but it expects the growth to pick up to 2.5% in 2023.

The Company was able to grow business with its existing customer base in the region and also acquired some new customers. The company showed robust double digit growth for FY 2021-22 as the impact of the Covid-19 pandemic was mitigated and the demand restored as the economy adjusted itself to the new normal. The company forecasts substantial growth in FY 2022-23 with its Auto Business leading the way.

Progress of Business in Financial Year 2021-22

The Directors are pleased to report that the financial year as of March 31, 2022 ended on a more optimistic note than in March 2021 with the onset of the COVID pandemic situation. The Automotive Industry saw a steady recovery where growth is now expected to be in double digits in calendar year 2022. The coming decade promises to be one of the largest in terms of Investments for Automakers. Megatrends driven by Connectivity, Autonomous driving, Shared mobility and Electrification (CASE) continue their secular

adoption, as they persist to disrupt the Industry. The coming years will also see investments getting prioritized by Automakers in areas of digital and customer experience.

The Company positioned itself as a Software Integration Partner providing transformative solutions and offerings rather than a mere technology service provider. These offerings provided the customers not only cost savings but also better time-to-market, profitability and cash flows. In FY 21/22, the Company has further strengthened its position in Automotive Products business.

Key financial performance indicators are revenues and EBITDA. Development of key financial performance indicators was in line with last year's forecast. The management is of the view that overall business performance during FY 2021/22 was favourable.

#### Financial and Profit Position

The Company recorded an overall revenue of Euro 55.32 million during the year as compared to Euro 48.33 million in the previous year. Further, it reported a Net Profit of Euro 7.19 million as compared to a Net Profit of Euro 1.49 million in the previous year. The Company has entered into a Domination and Profit Transfer Agreement through a shareholders' resolution on 18th December 2019 with its subsidiary company "Microfuzzy Industrie-Elektronik GmbH". As a result of this agreement, FY 21/22 profits of Microfuzzy Industrie-Elektronik GmbH amounting to EUR 4.70 million are consolidated in the results of the company as compared to FY 20/21 profits amounting to Euro 2.27 million. Based on a profit distribution resolution passed by the board, the subsidiary also distributed Euro 3.00 million in March 2022. In this year, the Company continued to strengthen its Engineering Team in Germany and this process is expected to continue in FY 2022-2023.

The Company recorded total assets of Euro 48.20 million at year-end as compared to Euro 37.47 million in the previous year. The Company had Net Assets of Euro 20.89 million as of 31st March 2022 as compared to Euro 13.70 million in previous year.

The Net Current Assets have increased by Euro 2.91 million as compared to the previous year. Out of the total current liabilities of Euro 22.44 million, Euro 16.06 million (71.60%) are relating to amounts payable to Affiliated Group Companies for services purchased from them based on the existing Revenue Model. Other Current Liabilities and Provisions are adequately covered with the Company's Cash Balance of Euro 5.97 million and Trade Receivables of Euro 15.04 million. On an Overall Basis, the Company has a Current Ratio of 1.19 as compared to 1.07 in previous year. The Equity Ratio stood at 0.43 as compared to 0.37 in the previous year. The EBITDA Margin was 0.98% as compared to 1.70% in previous year. The PAT (profit after tax) Margin was 4.46 % as compared to 3.08 % in previous year. The Gross contribution margin was 16.03 % as compared to 16.64 % in previous year.

The Company does not have any Long-term Debt and is fully funded through Shareholders' Equity and Shareholder Loans. As on 31st March 2022, the company has mid-term debt of EUR 6.70 million from Microfuzzy Industrie-Elektronik GmbH and of EUR 1.00 million from KPIT Technologies Netherlands B.V.

There is also a short-term debt of EUR 3.11 million from DBS Bank and HSBC bank towards the factoring service availed. The Company's Sole Shareholder, KPIT Technologies (UK) Limited is committed to providing all the necessary financial support to the Company.

During the current year, the company received a dividend of Euro 3.00 million from its wholly owned subsidiary Microfuzzy Industrie-Elektronik GmbH.

As on March 31, 2022, the Company had an average of 303 Employees as compared to 363 as at the end of previous year. The employee attrition rate across the industry has gone up and the company had a top block and overall attrition rate in the lower double digits.

The company was able to meet its payment obligations at all times in the reporting year.

#### Report on Post Balance Sheet Events

Management of the company monitors the development and also consequences of the

current COVID-19 crisis intensively. At present management expects no material negative influence on economic situation in FY 2022-2023 of the company.

Despite this the Company does not have any transactions of material nature to report under this section.

### III. Report on Expected Developments

In FY 22/23, the Company expects a further increase in revenues (topline) and also to improve profitability materially. The Company aims to achieve this by focusing on offerings in niche areas, as well as by expanding the customer base and stringent cost optimization. This would translate into an even improved financial position for the Company.

Mobility is the only focus of our company and Germany is a fulcrum for the global automotive industry. Our investments have been concentrated on Germany in the last 3 to 5 years and we continue to invest in sales, delivery, practice and facilities. The Company is also working towards improving its Cash Flows by aiming to reduce the time for realizing the invoices from customers.

The Company feels that the Business Environment is well suited for its offerings and it is confident to exploit the improvement in business conditions to the fullest possible extent.

#### Report on Opportunities and Risks

##### Opportunities

We see opportunities (medium level) in all segments – Passenger Car, Commercial Vehicle and Shared Mobility. Especially in the areas of AD/ADAS, electric Powertrain, AUTOSAR & vehicle diagnostics business potentials look quite stable which gives a good base for further growth. The Company is also positioned well to exploit the opportunities in Automotive Sector (medium level) with its value-added offerings.

##### Risks

The company has classified the risks based on the level of impact.

The economic climate in EU countries is a little more stable than the earlier period but the buying of services by Automotive OEMs & Tier 1s continues to remain challenging (low level risk). However, the main customer base of the Company is holding well, and the company is able to acquire new

customers in the region. Nevertheless, the company is dependent on a few regular customers. However, in the last few years we have built the necessary platforms and invested in resources to cater the customer needs which is an important aspect in continuing the strong relationship with customers. Efficient and active project management further helps us in mitigating the risks associated with targeted project completions. We expect the Company to perform well despite the challenges and be able to achieve the revenue and profitability targets for FY 22/23.

The Global economy was severely impacted in FY'21 and in the initial period of FY'22. The pandemic had its impact on all spheres of the economy driving unemployment and resulting in contraction of world output. Now that most of the people are fully vaccinated, life is on the verge of becoming normal due to which the economy has shown signs of revival. The IMF latest forecasts have projected the global economy is expected to moderate from 5.9% in 2021 to 4.4% in 2022. Global growth is expected to slow to 3.6 percent in 2023.

#### Forecast

We believe that in order to achieve our mission of being best software integrator in automotive sector, our positioning and existing business with German OEM is a stepping stone towards the same. In the medium term, we want to focus on improvement in operating profitability with emphasis on productivity improvement, increase in offshore revenues, leveraging of fixed costs and scaling up in our strategic accounts. The Company has taken appropriate measures to tackle the business uncertainties during the year and has also taken measures to control the cost significantly. Considering better momentum with our customers and in the Automotive Industry, we expect that the Company's financial performance for the next financial year FY 23 will improve and will be in a better shape than in FY22. The Company will continue to make efforts to capture growth and take appropriate measures to increase sales realization in FY 23. We expect revenues and EBITDA to increase moderately in FY 22/23.

For and on behalf of the Board of Directors  
**KPIT Technologies GmbH**

Munich, April 22, 2022

**Pankaj Sathe**  
Managing Director

**Jens Tillner**  
Managing Director

# INDEPENDENT AUDITOR'S REPORT

To KPIT Technologies GmbH, Munich

## Audit opinions

We have audited the annual financial statements of KPIT Technologies GmbH, Munich, which comprise the balance sheet as of 31 March 2022, and the statement of profit and loss for the financial year from 1 April 2021 to 31 March 2022, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of KPIT Technologies GmbH for the financial year from 1 April 2021 to 31 March 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of 31 March 2022 and of its financial performance for the financial year from 1 April 2021 to 31 March 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the HGB ["Handelsgesetzbuch": "German Commercial Code"], we declare that our audit has not led to any reservations regarding the correctness of the annual financial statements.

## Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the

Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

## Responsibilities of Management for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal

requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 opinions. 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 control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient

appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit and significant findings of the audit,

including any deficiencies in the internal control system that we identify during our audit.

Munich, April 22, 2022

TAP Dr. Schlumberger Krämer & Partner mbB  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

[Original German version signed by:]

Krämer  
Wirtschaftsprüfer  
[German Public Auditor]

# BALANCE SHEET

AS OF 31 MARCH 2022

Assets	Mar 31, 2022		Mar 31, 2021	Equity and liabilities	Mar 31, 2022		Mar 31, 2021
	EUR	EUR	EUR		EUR	EUR	EUR
<b>A. Fixed assets</b>				<b>A. Equity</b>			
<b>I. Intangible assets</b>				<b>I. Called up share capital</b>			
1. Concessions, industrial and similar rights and licenses in such rights and assets	16,611.91		47,695.30	1. Capital subscribed	25,000,000.00		25,000,000.00
2. Payments on account	0.00		4,240.00	2. Outstanding contributions - not called up	-10,651,269.00		-10,651,269.00
		<b>16,611.91</b>	<b>51,935.30</b>		<b>14,348,731.00</b>		<b>14,348,731.00</b>
<b>II. Tangible assets</b>				<b>II. Capital reserve</b>	386,511.59		386,511.59
1. Other equipment, operating and office equipment	1,461,460.37		1,537,013.35	<b>III. Profit/loss carried forward</b>	-1,031,810.84		-2,517,975.29
<b>III. Non-current financial assets</b>				<b>IV. Net profit/loss for the year</b>	7,185,918.21		1,486,164.45
1. Shares in affiliated companies	19,977,386.07		14,751,885.07		<b>20,889,349.96</b>		<b>13,703,431.75</b>
		<b>21,455,458.35</b>	<b>16,340,833.72</b>	<b>B. Provisions</b>			
<b>B. Current assets</b>				1. Tax provisions	444,482.48		178,835.00
<b>I. Receivables and other assets</b>				2. Other provisions	4,428,302.14		3,854,251.12
1. Trade receivables	15,039,391.93		13,149,431.16		<b>4,872,784.62</b>		<b>4,033,086.12</b>
2. Receivables from affiliated companies	4,807,545.18		3,405,974.33	<b>C. Liabilities</b>			
3. Other assets	924,584.13		876,726.23	1. Liabilities to banks	3,106,457.02		1,521,979.43
		<b>20,771,521.24</b>	<b>17,432,131.72</b>	2. Advance payments received on account of orders	2,081,870.83		2,564,181.96
<b>II. Cash in hand, bank balance and checks</b>				3. Trade payables	255,290.59		1,260,286.63
	5,966,260.92		3,690,553.50	4. Liabilities to affiliated companies	16,064,285.36		12,911,538.92
		<b>26,737,782.16</b>	<b>21,122,685.22</b>	5. Other liabilities	928,300.63		1,471,514.20
<b>C. Prepaid expenses</b>				- thereof from taxes: EUR 849,171.95 (previous year: EUR 417,002.36)			
	5,098.50		2,500.07	- thereof for social security: EUR 457.44 (previous year: EUR 0.00)			
						22,436,204.43	19,729,501.14
		<b>48,198,339.01</b>	<b>37,466,019.01</b>			<b>48,198,339.01</b>	<b>37,466,019.01</b>

# INCOME STATEMENT FOR THE PERIOD

FROM APRIL 1, 2021 TO MARCH 31, 2022

	2021/22		2020/21
	EUR	EUR	EUR
1. Revenues		55,315,981.02	48,329,657.38
2. Other operating income		1,73,201.46	245,714.38
3. Cost of materials			
a) Cost of purchased services		-19,501,899.37	-10,719,050.97
		-19,501,899.37	-10,719,050.97
4. Staff costs			
a) Wages and salaries		-24,948,299.86	-2,7123,890.18
b) Social security and pension costs		-4,011,743.94	-4,430,928.23
		-28,960,043.80	-31,554,818.41
5. Depreciation and amortisation			
a) Amortisation of intangible assets and depreciation of property, plant and equipment		-399,945.54	-530,548.86
		-399,945.54	-5,30,548.86
6. Other operating expenses		-6,353,814.84	-5,785,347.32
7. Income from participations		3,000,000.00	0.00
- thereof from affiliated companies: EUR 3,000,000.00 (previous year: EUR 0.00)			
8. Other interest and similar income		1,602.76	4,530.54
- thereof from affiliated companies: EUR 1,602.76 (previous year: EUR 4,530.54)			
9. Interest and similar expenses		-255,585.78	-294,575.27
- thereof to affiliated companies: EUR -255,585.78 (previous year: EUR -294,575.27)			
10. Taxes on income		-533,571.00	-484,034.36
<b>11. Earnings after taxes</b>		<b>2,485,924.91</b>	<b>-788,472.89</b>
12. Income from profit and loss transfer agreement		4,699,993.30	2,274,637.34
<b>13. Net loss/ profit for the year</b>		<b>7,185,918.21</b>	<b>1,486,164.45</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR FISCAL YEAR 2021/22

### I. General information

KPIT Technologies GmbH has its statutory seat in Munich and is registered at the commercial register Munich under the number HRB 163288.

The financial statements have been prepared in accordance with provisions of the third book of the Handelsgesetzbuch (HGB – German Commercial Code; section 238 ff. of the HGB) under consideration of the Bilanzrichtlinie-Umsetzungsgesetz (BilRUG) and the supplementary provisions for companies limited by shares (section 264 ff. of the HGB).

For the profit and loss statement the total cost method (Gesamtkostenverfahren) as defined by section 275 (2) of the HGB was applied.

The company is a large-sized corporation as defined by section 267 (3) of the HGB.

Insofar classification standards of the HGB have been changed compared to the previous year, the consistency of presentation principle (section 265 (1) of the HGB) has been preserved by adjusting the figures of the prior year.

### II. Accounting policies

The following accounting and valuation methods have been applied in preparing the annual financial statements.

**Intangible assets** acquired for a consideration are capitalized at their cost of acquisition. Internally generated intangible assets were capitalized with the production costs incurred in the development phase. Depreciation and amortization are charged on a straight-line basis. Acquisitions during the year are written down pro rata temporis.

**Property, plant and equipment** is capitalized at its acquisition or production cost less accumulated depreciation. Acquisitions during the year are written down pro rata temporis.

**Low value** assets are written down in full in the year of acquisition.

Among **financial investments**, shares are measured at nominal amount of purchase cost, taking into account the principle of lower of purchase cost or market value. Loans are basically stated at their nominal value. Loans which bear no or a below market rate of interest are discounted to their present value.

Services not yet invoiced shown in the line item **Inventories** are capitalized under consideration of the principle of the lower of cost and market with direct costs and an appropriate share of the overheads. Projects, which, in an overall view will almost certainly announce a loss, are written down to a lower attributable fair value (loss-free valuation).

**Receivables and other current assets** are reported at their principal amount. Specific risks that can be detected are accounted for by valuation allowances. The general credit risk is covered by a global valuation allowance on receivables.

**Cash and cash equivalents** are shown at their nominal value.

The **equity capital** as shown in the balance sheet corresponds to the articles of association and the commercial register.

**Tax provisions** contain the taxes attributable to the financial year that have not yet been assessed.

**Other provisions** take into account all recognizable risks and uncertain obligations and were listed at the amount of the probable obligations.

**Liabilities** are carried at the amount required to settle the obligation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR FISCAL YEAR 2021/22

Foreign currency assets and liabilities are translated at the mean spot rates prevailing at the reporting date. Section 253 (1) sentence 1 of the HGB and section 252 (1) no. 4 second half sentence of the HGB are not applied to other assets or liabilities with a remaining term of one year or less.

A distinction of revenue recognition has to be made between contracts of services (Time and material projects) and contracts of work (Fixed Price Projects). Assignments based on contracts of service are invoiced according to working hours and revenues are recognized at this point. Revenue recognition of contracts of work is made only after contract completion or upon buyer's partial acceptance.

There was no fundamental change in accounting policies compared with previous year.

### III. Balance sheet disclosures

#### Fixed assets

The development of the fixed assets and the depreciation thereof for the financial year are shown in the fixed assets movement schedule attached to the notes.

#### Financial assets

The financial assets include the shareholding in MicroFuzzy Industrie-Elektronik GmbH, Munich. KPIT Technologies GmbH has entered into a Domination and Profit Transfer Agreement through a shareholders resolution on December 18, 2019 with its subsidiary MicroFuzzy Industrie-Elektronik GmbH.

#### Trade receivables

Trade receivables are shown at their nominal value. If necessary, the receivables are reduced by individual value adjustments or general value adjustments.

#### Receivables from affiliated companies

An amount of KEUR 4,808 (PY: KEUR 3,405) of the total receivables from subsidiaries has a remaining term of more than one year.

#### Other assets

The asset item includes receivables from employees KEUR 126 (PY: KEUR 201) and receivables resulting from deposits paid for rented properties, especially in previous year KEUR 7 (PY: KEUR 568).

#### Restriction of profit distribution

As self-developed intangible assets are fully depreciated per March 31, 2022 and also in previous financial year Non-distributable profits according to section 268 (8) HGB were not recorded.

#### Equity

In previous Financial Year 2020/21 the company increased its registered share capital from KEUR 10,000 by KEUR 15,000 to KEUR 25,000 in a shareholders resolution in March 2020, which was registered in the commercial register by 29th July 2020.

#### Provisions

Other provisions amounting to KEUR 4,428 (PY: KEUR 3,854) mainly include provisions for expenses KEUR 2,108 (PY: KEUR 1,252), provisions for employee bonuses KEUR 994 (PY: KEUR 1,265), and provisions for leave encashment KEUR 656 (PY: KEUR 747).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR FISCAL YEAR 2021/22

### Liabilities

Liabilities to affiliated companies amounting to KEUR 16,064 (PY: KEUR 12,912) include liabilities to the indirect shareholder KPIT Technologies Ltd., Pune/India, amounting to KEUR 7,781 (PY: KEUR 4,383). Liabilities to the direct shareholder KPIT Technologies (UK) Limited, Ruislip Manor, Middlesex/UK, amounted to KEUR 4,853 in previous year and were fully settled during past financial year.

The table below shows a summary of the liabilities broken down according to remaining terms. The company has no liabilities with a remaining term of more than 5 years.

	March 31, 2022			March 31, 2021		
	remaining term up to 1 year	remaining term between 1 and 5 years	total	remaining term up to 1 year	remaining term between 1 and 5 years	total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
1. Liabilities to banks	3,106	0	3,106	1,522	0	1,522
2. Advance payments received on account of orders	2,082	0	2,082	2,564	0	2,564
3. Trade payables	321	0	321	1,260	0	1,260
4. Liabilities to affiliated companies	8,332	7,700	16,032	5,559	7,353	12,912
- thereof to shareholders	0	0	0	0	4,853	4,853
5. Other liabilities	928	0	928	1,472	0	1,472
- thereof from taxes	523	0	523	417	0	417
- thereof for social securities	0	0	0	0	0	0
<b>Total liabilities</b>	<b>12,377</b>	<b>7,700</b>	<b>22,470</b>	<b>12,377</b>	<b>7,353</b>	<b>19,730</b>

### IV. Income statement disclosures

The income statement was prepared according to the total cost method (section 275 (2) HGB).

### Revenues

Broken down by geographic markets, the revenues are:

	2021/2022		2020/2021	
	KEUR	%	KEUR	%
Domestic	37,894	68.5	35,394	73.2
Export	17,422	31.5	12,936	26.8
<b>Total</b>	<b>55,316</b>	<b>100.0</b>	<b>48,330</b>	<b>100.0</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR FISCAL YEAR 2021/22

### Cost of materials

Cost of purchased services with a total amount of KEUR 19,502 (PY: KEUR 10,719) mainly result from affiliated companies.

### Other operating income

Other operating income of KEUR 173 (PY: KEUR 246) include income from foreign exchange gains in an amount of KEUR 133 (PY: KEUR 23).

### Other operating expenses

Other operating expenses of KEUR 6,354 (PY: KEUR 5,785) include rental expenses of KEUR 1,292 (PY: KEUR 1,830), expenses for professional fees of KEUR 1,170 (PY: KEUR 538) and expenses resulting of exchange rate differences of KEUR 0 (PY: KEUR 311).

### Financial result

Interest and similiar expenses include expenses from interest payments on liabilities to affiliated companies in an amount of KEUR 256 (PY: KEUR 295).

## V. Other mandatory disclosures

### Future financial obligations

In addition to the liabilities stated in the balance sheet, there are future financial obligations from leasing agreements of KEUR 15,456.

### Operate- Leasing

Rental and leasing agreements are concluded to avoid an immediate outflow of liquid funds. Risks from rental and leasing contracts are related to the fulfilment of instalments and rental obligations.

### Share property

According to section 285 (11) of the HGB the company has to give the following information.

Entity	Participation rate	Equity	Annual result	Financial statements year ending
MicroFuzzy Industrie-Elektronik GmbH, München	100 %	EUR 1,028,431.73	EUR 0.00	March 31, 2022
Future Mobility Solutions GmbH, Gaimersheim	25 %	EUR -796,995.43	EUR -188,907.60	December 31, 2022

The company has concluded a Domination and Profit Transfer agreement on December 18, 2019 with MicroFuzzy Industrie-Elektronik GmbH, Munich. All future Profits and Losses have to be transferred to the company.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR FISCAL YEAR 2021/22

### Managing director

Managing directors in fiscal year 2021/22 were:

- Mr. Pankaj Maheshwar Sathe, operating managing director
- Mr. Jens Tillner, operating managing director

In accordance with section 286 (4) of the HGB the disclosure of the management total remuneration is omitted.

### Average amount of employees during the financial year

During financial Year 2021/22 on average 303 (previous year 363) persons were employed.

### Auditor's fee

For services rendered by the auditor TAP Dr. Schlumberger Krämer & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Munich, the following fees were charged or provided for the Financial Year 2021/2022:

	<b>2021/2022</b>
	<b>KEUR</b>
Annual audit	29
Tax services	13
Other services	20
	<b>62</b>

### Appropriation of results

The net profit of KEUR 7,186 is to be carry forward onto new account.

### Group affiliation

The financial statements of KPIT Technologies GmbH are included in the consolidated financial statements of KPIT Technologies Ltd., Pune/India, as of March 31, 2022.

The consolidated financial statements of KPIT Technologies Ltd., Pune/India as of March 31, 2022 will be filed electronically with the Ministry of Corporate Affairs (Government of India) and be disclosed under Company Identification Number (CIN) U74999PN2018PLC174192.

Consolidated financial statements for the subgroup are prepared by KPIT Technologies GmbH, Munich.

### Significant events

No events of particular or material significance occurred after the end of the financial year.

Munich, April 22, 2022

Pankaj Maheshwar Sathe  
(Managing Director)

Jens Tillner  
(Managing Director)

# FIXED ASSET SCHEDULE

AS AT 31 MARCH 2022

	Acquisition and production costs				31 March 2022	Accumulated depreciation			Net block		
	1 April 2021	Additions	Deductions	Reclassification		1 April 2021	Additions	Deductions	31. March 2022	31. March 2022	31 March 2021
	EUR	EUR	EUR			EUR	EUR	EUR	EUR	EUR	
<b>I.Intangible Assets</b>											
1.Internally generated industrial property rights and similar rights and assets	709,069.38	0.00	0.00	0.00	709,069.38	709,069.38	0.00	0.00	709,069.38	0.00	0.00
2.Concessions, industrial and similar rights and assets	550,526.48	1,372.60	0.00	0.00	551,899.08	502,831.18	32,455.99	0.00	535,287.17	16,611.91	47,695.30
3.Payments on account	4,240.00	0.00	0.00	-4,240.00	0.00	0.00	0.00	0.00	0.00	0.00	4,240.00
	1,263,835.86	1,372.60	0.00	-4,240.00	1,260,968.46	1,211,900.56	32,455.99	0.00	1,244,356.55	16,611.91	51,935.30
<b>II.Tangible assets</b>											
1.Other equipment, operating and office equipment	2,648,074.76	287,696.57	0.00	4,240.00	2,940,011.33	1,111,061.41	367,489.55	0.00	1,478,550.96	1,461,460.37	1,537,013.35
<b>III.Non-current financial assets</b>											
1.Shares in affiliated companies	14,751,885.07	2,700,000.00	0.00	0.00	17,451,885.07	0.00	0.00	0.00	0.00	17,451,885.07	14,751,885.07
2.Participations	0.00	2,525,501.00	0.00	0.00	2,525,501.00	0.00	0.00	0.00	0.00	2,525,501.00	0.00
	14,751,885.07	5,225,501.00	0.00	0.00	19,977,386.07	0.00	0.00	0.00	0.00	19,977,386.07	14,751,885.07
	<b>18,663,795.69</b>	<b>5,514,570.17</b>	<b>0.00</b>	<b>0.00</b>	<b>24,178,365.86</b>	<b>1,833,303.39</b>	<b>399,945.54</b>	<b>0.00</b>	<b>2,722,907.51</b>	<b>21,455,458.35</b>	<b>16,340,833.72</b>

**KPIT Technologies Netherlands B.V.**

Registered Office: Westerdoksdijk 423, 1013 BX, Amsterdam, The Netherlands.

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	Euro	Euro
Total Income	8,611,818	5,234,353
Net Profit / (Loss) for the year	654,751	593,355

**Audit**

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of KPIT Technologies Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors,  
**KPIT Technologies Netherlands B.V**

Pune  
April 21, 2022

**Kishor Patil**  
Chairman

# 1. ACCOUNTANT'S REPORT

Dear members of the board,

## 1.1 Accountant's compilation report

The financial statements of KPIT Technologies Netherlands B.V., Amsterdam, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 March 2022 and the profit and loss account for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your

responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of KPIT Technologies Netherlands B.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

For further information on the nature and scope of a compilation engagement and the VGBA we refer you to [www.nba.nl/uitleg\\_samenstellingsverklaring](http://www.nba.nl/uitleg_samenstellingsverklaring).

We shall of course be pleased to provide further information.

Yours sincerely,

Mazars N.V.  
drs. R. Hiddes RA

## 2. FINANCIAL STATEMENTS

### 2.1 BALANCE SHEET

AS AT 31 MARCH 2022

(After proposal appropriation of result)

		2022		2021	
		EUR	EUR	EUR	EUR
<b>Assets</b>					
Fixed assets					
Financial assets					
Receivables from group companies	1		1.000.000		-
<b>Total fixed assets</b>			1.000.000		-
<b>Current assets</b>					
<b>Receivables</b>					
Trade receivables	2	1.869.914		1.948.582	
Receivables from group companies	3	2.208		11.686	
Accruals and prepaid expenses	4	21.212		30.112	
			1.893.334		1.990.380
<b>Cash and cash equivalents</b>	5		1.915.764		2.230.417
Total current assets			3.809.098		4.220.797
			<b>4.809.098</b>		<b>4.220.797</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
ISSUED SHARE CAPITAL	6	500.000		500.000	
Other reserve	7	2.661.953		2.007.202	
			3.161.953		2.507.202
<b>Current liabilities, accrals and deferred income</b>					
Trade payables	8	739.045		984.628	
Payables relating to taxes and social security contributions	9	635.785		565.773	
Other liabilities and accrued expenses	10	272.315		163.194	
			1.647.145		1.713.595
			<b>4.809.098</b>		<b>4.220.797</b>

## 2.2 PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1 APRIL 2021 UNTIL 31 MARCH 2022

		1-4-2021 / 31-3-2022		1-4-2020 / 31-3-2021	
		EUR	EUR	EUR	EUR
<b>Gross margin</b>	11		3.112.034		2.124.887
Wages and salaries	12	1.728.612		933.249	
Social security charges	13	188.372		120.729	
Other operating expenses	14	395.277		312.956	
<b>Total of sum of expenses</b>			2.312.261		1.366.934
<b>Total of operating result</b>			<b>799.773</b>		<b>757.953</b>
Interest and similar income			34.108		9.289
<b>Total of result before tax</b>			<b>833.881</b>		<b>767.242</b>
Income tax expense			(179.130)		(173.887)
<b>Total of result after tax</b>			<b>654.751</b>		<b>593.355</b>

## 2.3 NOTES TO THE FINANCIAL STATEMENTS

### Entity information

#### Registered address and registration number trade register

The registered and actual address of KPIT Technologies Netherlands B.V. is Westerdoksdijk 423, 1013 BX in Amsterdam. KPIT Technologies Netherlands B.V. is registered at the Chamber of Commerce under number 54907144.

### General notes

#### The most important activities of the entity

The company was incorporated on 16 March 2012. The principal activities of the Company are to sell and commercialize computer programs, software and its applications, to render services of consulting in the areas of engineering design, drafting, software development, testing, consulting, architecture services and advisory in types and configurations, and also to develop projects to the installation all related to the products commercialized.

The financial year of the company starts on April 1st and ends on March 31<sup>st</sup>.

#### *IMPACT of COVID 19*

The global economy was severely impacted in financial year 2021 and the initial period of financial year 2022. The pandemic had an impact on all spheres of the economy driving unemployment and resulting in contraction of world output. Most people are now fully vaccinated, life is on the verge of becoming normal due to which the economy has shown signs of revival. For KPIT Technologies Netherlands B.V. the company does not foresee a material financial impact. We will continue to build on the work we have done over the past years to drive efficiency in the operations and strengthen the foundation of our business.

#### Disclosure of group structure

KPIT Technologies Netherlands B.V. is part of a group headed by KPIT Technologies Ltd. located in Pune, India. The financial statements of KPIT Technologies Netherlands B.V. are included in the consolidated financial statements of KPIT Technologies Limited.

### General accounting principles

#### The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

#### Conversion of amounts denominated in foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

## 2.3 NOTES TO THE FINANCIAL STATEMENTS

### Accounting principles

#### Financial assets

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

#### Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

#### Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

#### Accounting principles for determining the result

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

#### Revenue recognition

Net turnover represents amounts invoiced for services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

#### Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

#### Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set off from previous financial years and exempt profit components and after the addition of non deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

## 2.4 NOTES TO THE BALANCE SHEET

	2022	2021
	EUR	EUR
<b>Fixed assets</b>		
Financial assets		
<b>1 Receivables from group companies</b>		
KPIT Technologies GmbH	1.000.000	-
On 24 September 2021 the Company granted a loan to KPIT Technologies GmbH. The interest rate is EURIBOR plus 200 basis points per annum. The loan should be repaid in 36 months.		
<b>Current assets</b>		
<b>2 Trade receivables</b>		
Trade receivables	1.869.914	1.948.582
No provision for bad debts is deemed necessary by the management of the Company.		
<b>3 Receivables from group companies</b>		
KPIT Technologies Inc	-	2.403
KPIT Technologies GmbH	2.208	9.283
	<b>2.208</b>	<b>11.686</b>
No interest has been calculated.		
<b>4 Other receivables, prepayments and accrued income</b>		
Prepaid personnel expenses	21.212	30.112
<b>5 Cash and cash equivalents</b>		
HSBC Bank	1.037.324	1.650.177
ING Bank N.V.	878.440	580.240
	<b>1.915.764</b>	<b>2.230.417</b>
The cash and cash equivalents are freely available to the Company.		
<b>Equity</b>		
<b>6 ISSUED SHARE CAPITAL</b>		
Disclosure of share capital paid called up		
The issued and paid up share capital amounts to EUR 500,000 and consists of 5,000 ordinary shares with a nominal value of EUR 100 each.		
<b>7 Other reserve</b>		
Balance as at 1 April	2.007.202	1.413.847
Appropriation of result	654.751	593.355
Balance as at 31 March	<b>2.661.953</b>	<b>2.007.202</b>
<b>Disclosure of other reserves</b>		
The mutation relates to the result allocation.		

## 2.4 NOTES TO THE BALANCE SHEET

	2022	2021
	EUR	EUR
<b>Current liabilities, accruals and deferred income</b>		
<b>8 Trade payables</b>		
Accounts payable	739.045	984.628
An amount of EUR 739,045 (FY 2020/2021: EUR 984,547) relates to trade payables to group companies.		
<b>9 Payables relating to taxes and social security contributions</b>		
Value added tax	469.564	415.173
Wage tax	60.680	36.810
Company tax	105.541	113.790
	<b>635.785</b>	<b>565.773</b>
<b>10 Other liabilities and accrued expenses</b>		
Accrued bonus	174.732	125.546
Accrued income	67.283	9.622
Other accrued expenses	24.762	22.869
Salaries payable	5.069	-
Current account shareholder	469	5.157
	<b>272.315</b>	<b>163.194</b>

### Contingent assets and liabilities

#### Disclosure of operating leases

The company has a operational car lease contract with a total future liability of EUR 31,222. For the upcoming year the company has an operational car lease liability of EUR 9,607

## 2.5 NOTES TO THE PROFIT AND LOSS ACCOUNT

	1-4-2021 / 31 -3-2022	1-4-2020 / 31 -3-2021
	EUR	EUR
<b>11 Gross margin</b>		
Net Turnover	8.611.818	5.234.353
Cost of sales	(5.499.784)	(3.109.466)
<b>Gross margin</b>	<b>3.112.034</b>	<b>2.124.887</b>
<b>Net Turnover</b>		
Domestic sales back to back	5.907.222	3.762.087
Domestic Sales	2.710.475	1.344.886
Foreign Sales	(5.879)	127.380
	<b>8.611.818</b>	<b>5.234.353</b>
<b>12 Wages and salaries</b>		
Gross salaries	1.455.733	819.294
Holliday allowance	167.121	52.251
Health insurance	70.960	35.186
Commission	34.798	26.518
	<b>1.728.612</b>	<b>933.249</b>
<b>13 Social security charges</b>		
Social security charges	188.372	120.729
<b>14 Other operating expenses</b>		
Other expenses of employee benefits	80.350	118.352
Selling expenses	38.271	28.971
Car expenses	12.567	13.511
General expenses	264.089	152.122
	<b>395.277</b>	<b>312.956</b>

## 2.5 NOTES TO THE PROFIT AND LOSS ACCOUNT

	1-4-2021 / 31 -3-2022	1-4-2020 / 31 -3-2021
	EUR	EUR
<b>Other expenses of employee benefits</b>		
Allowances	14.130	33.354
Other staff expenses	66.220	84.998
	<b>80.350</b>	<b>118.352</b>
<b>Selling expenses</b>		
Travelling and hotel expenses	23.279	14.779
Advertising expenses	14.992	14.192
	<b>38.271</b>	<b>28.971</b>
<b>General expenses</b>		
Management fee	178.714	77.057
Professional fees	66.970	66.047
Bank charges	10.974	4.354
Other expenses	7.431	4.664
	<b>264.089</b>	<b>152.122</b>
<b>Interest of receivables from group companies</b>		
Interest receivable from Kpit GmbH	13.463	-

## 2.6 OTHER NOTES

	1-4-2021 / 31 -3-2022	1-4-2020 / 31 -3-2021
<b>Average number of employees</b>		
Average number of employees over the period working in the Netherlands	26,00	17,00
Average number of employees over the period	26,00	17,00

Amsterdam, 22 April 2022

KPIT Technologies Netherlands B.V.

**K.P. Patil**

Director

**S.D. Tikekar**

Director

**P.M. Sathe**

Director

**D. Dholeh**

Director

## MicroFuzzy Industrie-Elektronik GmbH

# MANAGEMENT REPORT FOR THE FISCAL YEAR 2021-22

## I. Fundamental information about the company

MicroFuzzy (“The Company”) operates in the area of automotive electrical engineering. We offer our customers innovative solutions for next generation cars in the area of the electrical vehicles. With our experienced engineering team, we are able to provide customers with high-end solutions and concepts. MicroFuzzy operates from its headquarters in Munich, Germany. The Company is part of KPIT Group of companies.

KPIT is a global technology company with software solutions that will help mobility leapfrog towards autonomous driving, clean, smart and connected future. With 6000+ Automobelievers across the globe, specializing in embedded software, AI & Digital solutions, KPIT enables customers accelerate implementation of next generation mobility technologies. With development centers in Europe, Americas, Japan, China, Thailand and India, KPIT works with leaders in mobility and is present where the ecosystem is transforming. Thereby being part of this group gives MicroFuzzy the option to use the Group’s technical and human resources.

Our customers belong mainly to the automotive industry and include OEMs and Tier-1 suppliers. Therefore, we can offer our services and solutions to our growing customer base globally, not just in Germany. Customers are requesting all kinds of support and solutions, from dedicated engineering support for a specific technical problem to complete concepts and solutions for electrical powertrain products.

## II. Report on Economic Position

### Macro-economic and Sector-specific Environment

The German Gross domestic product (GDP) was higher by 2.7% in 2021 as per the German Federal Statistics Office (Destatis) in real terms. The German GDP level was still 2% below 2019 after the economy shrank 4.6% due to economic impact of the outbreak of Covid-19 Pandemic. As governments aggressively ran inoculation programs and brought the level of infection rates down along with a reduced severity, economic activity has been returning to normal.

For the manufacturing, the gross value-add in the sector grew 4.4% in 2021. The Manufacturing

and Services PMI mostly remained over the 50-mark indicating expansion of economic activity. Though lately the Manufacturing activity was in a declining trend (but over 50) the Services PMI has shown a pickup.

The emergence of the conflict in Europe may increase downside risks to the economy as risk of energy security emerge and sticky inflation can dampen growth. As global central banks begin a cycle of monetary tightening which may lead to a growth moderation. Economic activity in most sectors has not yet returned to pre-crisis levels despite the growth seen in 2021.

Automotive sales fell by 10% in 2021 as shortage of semiconductors strangled production but with the situation improving.

On the positive, Auto Majors in Germany have already unmarked large investments in future technologies from 2021 through 2025, as share of investments into electrification and digitalization increase and business shifts from ICE to EV along and emergence of Autonomous driving and the ecosystem of connected vehicles mature. These investments would be beneficial for our business as we continue to partner in technology development.

For 2022, the German Government cut its GDP growth from 3.6% to 2.2% exacerbated by the recent outbreak of the conflict in Europe but it expects the growth to pick up to 2.5% in 2023.

The Company was able to grow business with its existing customer base in the region and also acquired some new customers. The company showed robust double digit growth for FY 2021/22 as the impact of the Covid-19 pandemic was mitigated and the demand restored as the economy adjusted itself to the new normal. The company forecasts to show substantial growth in FY 2022/23 with its Auto Business leading the way.

### Progress of business in Financial Year 2021-22

The Directors are pleased to report that the financial year as of March 31, 2022, ended on a more optimistic note than in March 2021 with the onset of the COVID pandemic situation. The Automotive Industry saw a steady recovery where growth is now expected to be in double

digits in calendar year 2022. The coming decade promises to be one of the largest in terms of Investments for Automakers. Megatrends driven by Connectivity, Autonomous driving, Shared mobility and Electrification (CASE) continue their secular adoption, as they persist to disrupt the Industry. The coming years will also see investments getting prioritized by Automakers in areas of digital and customer experience.

MicroFuzzy is rapidly growing and working now with Engineers in almost all areas of the automotive development phase. Our numerous projects are in the field of functional safety, software development and verification, functional development, hardware and numerous test and validation tasks in laboratories or in the vehicle itself.

We were able to grow in all these areas, being able to offer highly sophisticated technical solutions and also complete technical concepts.

We set-up a huge high-voltage, high power testing and validation laboratory for testing of electrical powertrain components at our premises in Munich.

To optimize costs and quality, an intensive exchange of information with other parts of KPIT Group in the administrative and engineering area is ongoing.

The management is of the view that overall business performance during FY 2021-22 was favourable.

Key financial performance indicators are revenues and EBITDA. Development of key financial performance indicators was in line with last year's forecast. The management is of the view that overall business performance during FY 2021/22 was favourable.

#### Financial and Profit Position

The company recorded revenues of Euro 44.59 million in 2021-22 as compared to Euro 42.53 million in 2020-21. The EBITDA Margin was 11.38 % as compared to 7.68% in previous year. The company has entered into a Domination and Profit Transfer Agreement through a shareholders' resolution on 18th December 2019 with its parent Company "KPIT Technologies GmbH". As a result of this agreement, FY 21/22 profits of the Company amounting to Euro 4.70 million are consolidated in the results of

KPIT Technologies GmbH as compared to previous years profit of Euro 2.27 million. In this year, the Company continued to strengthen its Engineering Team in Germany and this process is expected to continue in FY 2022-2023.

The company recorded total assets of Euro 30.68 million at year-end compared to Euro 22.94 million in the previous year. Net assets (total equity) amounts to Euro 1.03 million as of March 31, 2022 as compared to Euro 4.03 million in the previous year.

During the year, the Company declared and paid dividend of Euro 3.00 million to its holding company, KPIT Technologies GmbH, Munich.

The net current assets have decreased by Euro 6.34 million as compared to the previous year. Out of the total current liabilities of Euro 24.62 million, Euro 6.79 million (27.56 %) are relating to amounts payable to Affiliated Group Companies for services availed from them on basis of the existing Revenue Model. Other current liabilities and provisions are adequately covered with the company's cash balance of Euro 9.70 million and trade receivables of Euro 9.21 million. On an overall basis, the company has a current ratio of 1.22 as compared to 2.16 in the previous year. The Equity Ratio stood at 0.03 as compared to 0.18 in the previous year.

The Company does not have any Long-term Debt and is fully funded through Shareholders' Equity. There is a short term debt of EUR 6.27 million from DBS Bank and HSBC bank towards the factoring service availed. The company's main shareholder, KPIT Technologies GmbH, Munich, is committed to provide relevant financial support to the company.

As on March 31, 2022, the Company had an average of 213 Employees as compared to 210 as at the end of previous year.

The company was able to meet its payment obligations at all times in the reporting year.

#### Report on Post Balance Sheet Events

Management of the company monitors the development and also consequences of the current COVID-19 crisis intensively. At present management expects no material negative influence on economic situation in FY 2022-2023 of the company.

Despite this, the Company does not have any transactions of material nature to report under this section.

### III. Report on Expected Developments

In FY 22/23, the Company expects a further increase in revenues (topline) and also to improve profitability. The Company aims to achieve this by focusing on offerings in niche areas, as well as by expanding the customer base and stringent cost optimization. This would translate into an even improved financial position for the Company.

Mobility is the only focus of our company and Germany is a fulcrum for the global automotive industry. Our investments have been concentrated on Germany in the last 3 to 5 years and we continue to invest in sales, delivery, practice and facilities. The Company is also working towards improving its Cash Flows by aiming to reduce the time for realizing the invoices from customers.

The Company feels that the Business Environment is well suited for its offerings and it is confident to exploit the improvement in business conditions to the fullest possible extent.

#### Report on Opportunities and Risks

##### Opportunities

The area of operation (electric vehicles) is booming and offers huge chances and opportunities for MicroFuzzy. The actual growth in R&D for electrification of vehicles will even intensify in 2022-23. The Company is also positioned well to exploit the opportunities in Automotive Sector (medium level) with its value-added offerings.

##### Risks

The company has classified the risks based on the level of impact.

The economic climate in EU countries is a little more stable than the previous period but the buying of services by Automotive OEMs & Tier 1s continues to remain challenging (low level risk). However, the main customer base of the Company is holding well, and the company is able to acquire new customers in the region. Nevertheless, the company is dependent on a few regular customers. However, in the last few years we have built the necessary platforms and invested in resources to cater the customer needs which is an important aspect in continuing the strong relationship with customers. Efficient and active project management further helps us in mitigating the risks

associated with targeted project completions. We expect the Company to perform well despite the challenges and be able to achieve the revenue and profitability targets for FY 22/23.

The Global economy was severely impacted in FY 22 and in the initial period of FY 22. The pandemic had its impact on all spheres of the economy driving unemployment and resulting in contraction of world output. Now that most of the people are fully vaccinated, life is on the verge of becoming normal due to which the economy has shown signs of revival. The IMF latest forecasts have projected the global economy is expected to moderate from 5.9% in 2021 to 3.6% in 2022. Global growth is expected to slow to 3.6 percent in 2023.

Actually, we see that numerous new companies (mainly non-EU companies) are trying to enter this market segment in Germany. Therefore, our market environment will get more competitive and the projects get more price sensitive, which we estimate as a medium risk. Being part of the KPIT Group, the company can react to this challenge and shift some of our development to offshore.

#### Forecast

We believe that in order to achieve our mission of being best software integrator in automotive sector, our positioning and existing business with German OEMs is a stepping stone towards the same. In the medium term, we want to focus on improvement in operating profitability with emphasis on productivity improvement, increase in offshore revenues, leveraging of fixed costs and scaling up in our strategic accounts. The Company has taken appropriate measures to tackle the business uncertainties during the year and has also taken measures to control the cost significantly. Considering better momentum with our customers and in the Automotive Industry, we expect that the Company's financial performance for the next financial year FY 22/23 will improve and will be in a better shape than in FY 22. The Company will continue to make efforts to capture growth and take appropriate measures to increase sales realization in FY 22/23. We expect revenues and EBITDA to increase moderately in FY 22/23.

For and on behalf of the Board of Directors  
**Microfuzzy Industrie-Elektronik GmbH**  
 Munich, April 22, 2022

**Pankaj Sathe**  
 Managing Director

**Jens Tillner**  
 Managing Director

## INDEPENDENT AUDITOR'S REPORT

To MicroFuzzy Industrie-Elektronik GmbH, Munich

### Audit opinions

We have audited the annual financial statements of MicroFuzzy Industrie-Elektronik GmbH, Munich, which comprise the balance sheet as of 31 March 2022, and the statement of profit and loss for the financial year from 1 April 2021 to 31 March 2022, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of MicroFuzzy Industrie-Elektronik GmbH for the financial year from 1 April 2021 to 31 March 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of 31 March 2022 and of its financial performance for the financial year from 1 April 2021 to 31 March 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the HGB ["Handelsgesetzbuch": "German Commercial Code"], we declare that our audit has not led to any reservations regarding the correctness of the annual financial statements.

### Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the

Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

### Responsibilities of Management for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that

is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 opinions. 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 control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. 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 be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient

appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit and significant findings of the audit,

including any deficiencies in the internal control system that we identify during our audit.

Munich, April 22, 2022

TAP Dr. Schlumberger Krämer & Partner mbB  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

[Original German version signed by:]

Krämer  
Wirtschaftsprüfer  
[German Public Auditor]

# BALANCE SHEET

AS OF 31 MARCH 2022

Assets	Mar 31, 2022		Mar 31, 2021	Equity and liabilities	Mar 31, 2022		Mar 31, 2021
	EUR	EUR	EUR		EUR	EUR	EUR
<b>A. Fixed assets</b>				<b>A. Equity</b>			
<b>I. Intangible assets</b>				<b>I. Called up share capital</b>			
1. Concessions, industrial and similar rights and licenses in such rights and assets	122,984.02		200,638.23	1. Capital subscribed	26,000.00		26,000.00
		<b>122,984.02</b>	<b>200,638.23</b>		<b>26,000.00</b>		<b>26,000.00</b>
				<b>II. Profit/loss carried forward</b>	1,002,431.73		4,002,431.73
<b>II. Tangible assets</b>				<b>III. Net profit/loss for the year</b>	0.00		0.00
1. Land, land rights and bulidungs including buildings on third party land	0.00		198,896.80				
					1,028,431.73		4,028,431.73
2. Technical equipment and machines	30,126.34		42,240.17	<b>B. Provisions</b>			
3. Other equipment, operating and office equipment	571,637.87		741,817.29	1. Tax provisions	1,511,264.33		1,204,723.60
4. Payments on account and assets under construction	0.00		0.00	2. Other provisions	3,518,589.60		7,632,735.92
		<b>601,764.21</b>	<b>982,954.26</b>		<b>5,029,853.93</b>		<b>8,837,459.52</b>
<b>III. Non-current financial assets</b>				<b>C. Liabilities</b>			
1. Shares in cooperatives	5,000.00		5,000.00	1. Liabilities to Banks	6,265,489.61		3,683,398.66
		<b>5,000.00</b>	<b>5,000.00</b>	2. Advance payments received on orders	10,629,491.09		0.00
				3. Trade payables	528,652.30		1,327,844.13
<b>B. Current assets</b>				4. Liabilities to affiliated companies	6,785,147.86		4,698,908.56
<b>I. Inventories</b>				5. Other liabilities	411,826.81		366,902.10
1. Work in process	2,095,886.44		1,734,047.26	- thereof from taxes: EUR 250,684.77 (previous year: EUR 288,955.91)			
				- thereof for social security: EUR 101,156.57 (previous year: EUR 107,913.32)			
		<b>2,095,886.44</b>	<b>1,734,047.26</b>				
<b>II. Receivables and other assets</b>							
1. Trade receivables	9,213,633.02		3,059,786.50		<b>24,620,607.67</b>		<b>10,077,053.45</b>
2. Receivables from affiliated companies	7,202,509.42		3390,640.11				
3. Other assets	1,732,541.71		4,974,935.66				
		<b>18,148,684.15</b>	<b>11,425,362.27</b>				
<b>III. Cash in hand, bank balance and checks</b>		9,704,574.51	8,564,675.25				
		29,949,145.10	21,724,084.78				
<b>C. Prepaid expenses</b>		0.00	30,267.43				
<b>D. Deferred taxes assets</b>		0.00	0.00				
		<b>30,678,893.33</b>	<b>22,942,944.70</b>		<b>30,678,893.33</b>		<b>22,942,944.70</b>

# INCOME STATEMENT FOR THE PERIOD

FROM APRIL 1, 2021 TO MARCH 31, 2022

	2021/22		2021/22
	EUR	EUR	EUR
1. Revenues	44,587,905.78		42,530,870.58
2. Increase or decrease in work in process	361,839.18		1,703,402.75
		44,949,744.96	44,234,273.33
3. Other operating income		32,296.40	419,221.36
4. Cost of materials			
a) Cost of raw materials, supplies and of purchased merchandise	128,303.44		-1,613,447.49
b) Cost of purchased services	-17,242,309.97		-18,154,942.60
		-17,114,006.53	-19,768,390.09
5. Staff costs			
a) Wages and salaries	-16,374,798.17		-15,254,709.14
b) Social security and pension costs	-2,762,056.70		-2,683,163.06
		-19,136,854.87	-17,937,872.20
6. Depreciation and amortisation			
a) Amortisation of intangible assets and depreciation of property, plant and equipment	-434,974.07		-458,572.70
b) Depreciation of current assets	-8,603.68		-136.56
		-443,577.75	-458,709.26
7. Other operating expenses		-3,654,379.78	-3,965,545.76
8. Income from other investments and long term loans		0.00	0.00
9. Other interest and similar income		85,212.35	2,443.22
10. Interest and similar expenses		-18,441.48	-84,153.55
- thereof to affiliated companies: EUR -9,820.55 (previous year: EUR -5,470.00)			
<b>11. Profit from ordinary operations</b>		<b>4,699,993.30</b>	<b>2,441,267.05</b>
12. Taxes on income		0.00	-164,821.64
13. Other taxes		0.00	-1,808.07
14. Expenses from profit and loss transfer agreement		-4,699,993.30	-2,274,637.34
<b>15. Net profit/loss for the year</b>		<b>0.00</b>	<b>0.00</b>

# NOTES

## General information about the annual financial statements

The annual financial statements were prepared in accordance with the provisions of §§ 42 ff. HGB in compliance with the supplementary provisions for large corporations.

## Information identifying the company according to the registry court

Company name according to registry court:	MicroFuzzy Industrie-Elektronik GmbH
Registered company address according to registry court:	Munich
Registry entry:	Handelsregister
Registry court:	Munich
Registry court number:	HRB 104401

## Disclosures on accounting policies

### Accounting policies

Purchased intangible assets were recognised at cost; finite-lived intangible assets are amortised.

Tangible assets were recognised at cost; finite-lived tangible assets are depreciated.

Depreciation and amortisation is charged using the straight line or declining balance method on the basis of the expected useful life of the assets.

Long-term financial assets are recognised and measured as follows:

- Cooperative shares at cost

If necessary, the applicable lower value was recognised at the reporting date.

Inventories were recognised at cost. Any lower current values at the reporting date were recognised.

The measurement of receivables and securities reflects all identifiable risks.

Tax provisions contain the taxes attributable to the financial year that have not yet been assessed.

The other provisions were recognised for all further uncertain liabilities. They reflect all identifiable risks.

Liabilities are recognised at their settlement amount.

### Accounting policies that have changed as against the prior year

The accounting policies previously applied were largely taken over in the annual financial statements.

## Balance sheet disclosures

### Statement of changes in fixed assets for individual items of fixed assets

The depreciation and amortisation charges per balance sheet heading in the financial year are shown in the statement of changes in fixed assets.

## NOTES

### Disclosure on receivables with a remaining term of more than one year

The amount of receivables with a remaining term of more than one year amounts to 6,786,137.01 EUR (prior year: 26,593.92 EUR).

### Disclosures on receivables from shareholders

Receivables from shareholders amount to 7,138,998.05 EUR (prior year: 2,621,261.14 EUR).

### Retained profits/accumulated losses brought forward in the case of partial appropriation of net profit or loss

In cases where the balance sheet was prepared to reflect partial appropriation of net profit or loss, 4,002,431.83 EUR were included in net retained profits.

### Disclosures on and explanations of provisions

The "Other provisions" heading contains the following types of provision, which are not insignificant:

- Provision for expenses (outstanding invoices) amounting to 2,369,072.72 EUR
- Personnel costs (Bonus) amounting to 681,190.56 EUR
- Leave encashment amounting to 468,326.22 EUR

### Disclosure on remaining maturity comments

Type of liability for 31/03/2022	Total amount	of which remaining term		
		up to 1 y.	1 to 5 y.	more than 5 y.
	TEUR	TEUR	TEUR	TEUR
Liabilities to financial institutions	6,265.5	6,265.5	0.0	0.0
Advance payments received on orders	10,629.5	10,629.5	0.0	0.0
Accounts payable	528.7	528.7	0.0	0.0
to affiliated companies	6,785.1	6,785.1	0.0	0.0
Other liabilities	411.8	411.8	0.0	0.0
<b>Total</b>	<b>24,620.6</b>	<b>24,620.6</b>	<b>0.0</b>	<b>0.0</b>

### Disclosures on liabilities to shareholders

Liabilities to shareholders amount to 5,446,585.64 EUR (prior year: 4,076,504.82 EUR).

### Unrecognised other financial obligations

In addition to the liabilities presented in the balance sheet, there are other financial obligations amounting to 2,029,352.74 EUR.

These obligations relate specifically to the following items:

- Rental agreements (real estate)
- Operating Lease (company cars)
- Operating Lease (IT-Equipment)
- Operating lease (office furniture)

The total amount of other financial obligations not recognized in the balance sheet includes the following information on affiliated companies:

- Rental agreement (real estate): 653,920.01 EUR

## NOTES

### Income statement disclosures

#### Classification of sales

Sales are classified as follows in accordance with section 285(4) of the HGB:

Area of activity	Sales EUR
Engineering Services	44,587,905.78

Geographical market	Sales EUR
Germany	42,367,085.52
Other EMEA	2,072,983.13
Other APAC	103,222.39
USA	44,614.74

### Other disclosures

#### Average number of employees during the financial year

The following employee groups were employed in the company during the financial year:

Employee groups	Number
Direct staff	199.00
Marketing staff	0.50
Support staff	9.75
The total number of average employees was thus	209.25

### Names of managing directors

The business of the company was managed by the following persons in the past financial year:

Managing director:	Pankaj Maheshwar Sathe	Occupation:	managing director
Managing director:	Jens Tillner	Occupation:	managing director

### Membership of group

MicroFuzzy Industrie-Elektronik GmbH was included in the consolidated financial statements of KPIT Technologies Ltd., Pune (India).

KPIT Technologies GmbH, Munich, prepares consolidated financial statements for the smallest group of companies.

The consolidated financial statements are available at the German federal gazette.

KPIT Technologies Ltd., Pune (India), prepares consolidated financial statements for the largest group of companies.

## NOTES

The published consolidated financial statements are available at Ministry of Corporate Affairs, Government of India.

### **Fee of public auditor**

The total fee of the public auditor for the current period for following services amounts to:

- Financial statements audit: 23,000.00 EUR

### **Proposal or resolution on the appropriation of net profit**

Due to the existing profit transfer agreement with KPIT Technologies GmbH, Munich, there is no additional resolution on the appropriation of profits.

### **Signature of management**

Munich, April 22, 2022

Pankaj Maheshwar Sathe  
Managing Director

Jens Tillner  
Managing Director

# FIXED ASSET SCHEDULE

AS OF 31 MARCH 2022

	Gross values				Depreciation				Net values	
	1. April 2021	Addition	Retirement	31. March 2022	1. April 2021	Addition	Retirement	31. March 2022	1. April 2021	31. March 2022
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>I. Intangible fixed assets</b>										
1. Purchased licences, trademarks and similar rights and values as well as licences to such rights and values	525,875.95	39,899.00	0.00	565,774.95	325,237.72	117,553.21	0.00	442,790.93	122,984.02	200,638.23
	<b>525,875.95</b>	<b>39,899.00</b>	<b>0.00</b>	<b>565,774.95</b>	<b>325,237.72</b>	<b>117,553.21</b>	<b>0.00</b>	<b>442,790.93</b>	<b>122,984.02</b>	<b>200,638.23</b>
<b>II. Tangible fixed assets</b>										
1. Properties, rights equivalent to real property and buildings, including buildings on third-party land	230,384.68	0.00	-230,384.68	0.00	31,487.88	9,215.20	-40,703.08	0.00	0.00	198,896.80
2. Technical equipment and machinery	551,146.92	0.00	0.00	551,146.92	508,906.75	12,113.83	0.00	521,020.58	30,126.34	42,240.17
3. Other equipment, operating and office equipment	2,049,540.58	125,912.41	0.00	2,175,452.99	1,307,723.29	296,091.83	0.00	1,603,815.12	571,637.87	741,817.29
	<b>2,831,072.18</b>	<b>125,912.41</b>	<b>-230,384.68</b>	<b>2,726,599.91</b>	<b>1,848,117.92</b>	<b>317,420.86</b>	<b>-40,703.08</b>	<b>2,124,835.70</b>	<b>601,764.21</b>	<b>982,954.26</b>
<b>III. Long-term financial assets</b>										
1. Cooperative shares	5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
	<b>5,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,000.00</b>	<b>5,000.00</b>
	<b>3,361,948.13</b>	<b>165,811.41</b>	<b>-230,384.68</b>	<b>3,297,374.86</b>	<b>2,173,355.64</b>	<b>434,974.07</b>	<b>-40,703.08</b>	<b>2,567,626.63</b>	<b>729,748.23</b>	<b>1,188,592.49</b>

**KPIT Technologies Holding Inc.**

Registered Office: 21333 Haggerty Road, Suite 100, Novi, MI 48375.

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	USD	USD
Total Income	2,002,315	881
Net Profit / (Loss) for the year	1,992,600	(14,465)

**Dividend**

During the current year, the Company has paid dividend amounting to USD 2,000,000 to its holding Company, KPIT Technologies Limited, India.

**Audit**

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of KPIT Technologies Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors,  
**KPIT Technologies Holding Inc.**

Pune  
April 23, 2022

**Kishor Patil**  
Chairman

**BALANCE SHEET**

(Amount in USD)

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investments	2	14,400,250	14,400,250
		<b>14,400,250</b>	<b>14,400,250</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	3	2,576,052	2,583,452
		<b>2,576,052</b>	<b>2,583,452</b>
<b>TOTAL ASSETS</b>		<b>16,976,302</b>	<b>16,983,702</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	4	17,000,000	17,000,000
Other equity		(23,698)	(16,298)
		<b>16,976,302</b>	<b>16,983,702</b>
<b>Liabilities</b>			
		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,976,302</b>	<b>16,983,702</b>

See accompanying notes to the financial statements

**For and on behalf of the Board of Directors of  
KPIT Technologies Holding Inc.**

**Kishor Patil**  
Director

**Sachin Tikekar**  
Director

Place: Pune

Date: 23 April 2022

## STATEMENT OF PROFIT AND LOSS

(Amount in USD)

	Note	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Other income	5	2,002,315	881
<b>Total income</b>		<b>2,002,315</b>	<b>881</b>
<b>Expenses</b>			
Other expenses	6	9,715	15,346
<b>Total expenses</b>		<b>9,715</b>	<b>15,346</b>
<b>Profit/(loss) before tax</b>		<b>1,992,600</b>	<b>(14,465)</b>
Tax expense		-	-
<b>Profit/(loss) for the year</b>		<b>1,992,600</b>	<b>(14,465)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>1,992,600</b>	<b>(14,465)</b>

See accompanying notes to the financial statements

**For and on behalf of the Board of Directors of  
KPIT Technologies Holding Inc.**

**Kishor Patil**  
Director

**Sachin Tikekar**  
Director

Place: Pune

Date: 23 April 2022

# STATEMENT OF CHANGES IN EQUITY

(Amount in USD)

## Equity share capital

<b>Balance as at 31 March 2020</b>	<b>17,000,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2021</b>	<b>17,000,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2022</b>	<b>17,000,000</b>

## Other equity

Particulars	Reserves & surplus	Total
	Retained earnings	
<b>Balance as at 1 April 2020</b>	<b>(1,833)</b>	<b>(1,833)</b>
Loss for the year	(14,465)	(14,465)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(14,465)</b>	<b>(14,465)</b>
<b>Balance as at 31 March 2021</b>	<b>(16,298)</b>	<b>(16,298)</b>
<b>Balance as at 1 April 2021</b>	<b>(16,298)</b>	<b>(16,298)</b>
Profit for the year	1,992,600	1,992,600
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,976,302</b>	<b>1,976,302</b>
<b>Others</b>		
Dividend paid to the holding company	2,000,000	2,000,000
<b>Balance as at 31 March 2022</b>	<b>(23,698)</b>	<b>(23,698)</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of  
KPIT Technologies Holding Inc.

**Kishor Patil**  
Director

**Sachin Tikekar**  
Director

Place: Pune

Date: 23 April 2022

# STATEMENT OF CASH FLOWS

(Amount in USD)

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
<b>A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	1,992,600	(14,465)
<b>Adjustments for:</b>		
Interest income	(2,315)	(881)
Dividend income	(2,000,000)	-
Operating loss before working capital changes	(9,715)	(15,346)
<b>Adjustment for changes in working capital:</b>		
Other financial liabilities and other liabilities	(300,000)	(250)
<b>Net cash used in operating activities (A)</b>	<b>(309,715)</b>	<b>(15,596)</b>
<b>B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	2,315	881
Dividend received from subsidiary company (Refer note 8)	2,000,000	-
<b>Net cash generated from investing activities (B)</b>	<b>2,002,315</b>	<b>881</b>
<b>C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to holding company (net of tax) (Refer note 8)	(1,700,000)	-
<b>Net cash used in financing activities (C)</b>	<b>(1,700,000)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(7,400)</b>	<b>(14,715)</b>
Cash & cash equivalents at close of the period (Refer note 3)	2,576,052	2,583,452
Cash & cash equivalents at beginning of the period	2,583,452	2,598,167
<b>Cash deficit for the year</b>	<b>(7,400)</b>	<b>(14,715)</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of  
KPIT Technologies Holding Inc.

Kishor Patil  
Director

Sachin Tikekar  
Director

Place: Pune

Date: 23 April 2022

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## Company Overview

KPIT Technologies Holding Inc. ("the Company") is a company incorporated on 6 September 2018 in the state of Delaware, USA. The Company is a wholly owned subsidiary of KPIT Technologies Limited, India.

The Company provides technology solutions in embedded software for the Automobile and Mobility Industry.

## 1. Significant accounting policies

### 1.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013. The financial statements are presented in US Dollars ("USD"), unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

#### Use of estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognised in the year in which the results are known / materialised.

#### Critical accounting estimates

##### a. Impairment of investment in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the Statement of Profit and Loss. Significant judgements and estimates are involved while computing the recoverable amount.

##### b. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities.

### 1.2 Current–non-current classification

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

#### Assets

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

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is expected to be realised within 12 months after the reporting date; or
- c. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

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

### ***Liabilities***

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

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

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

### ***Operating cycle***

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

## **1.3 Foreign currency transactions**

### **a. Functional and presentation currency**

US Dollars ("USD") is the Company's functional as well as presentation currency.

- b. Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realised exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

## **1.4 Income taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 1.5 Provisions, Contingent liabilities and Contingent assets

The Company recognises provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognised for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b. Present obligations that arise from past events but are not recognised because-
  - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - 2) A reliable estimate of the amount of obligation cannot be made.

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

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

### 1.6 Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

### 1.7 Financial instruments

#### a. Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### b. Subsequent measurement

##### Non-derivative financial instruments

##### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

### **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognised in other comprehensive income.

### **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **c. Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **d. Fair value of financial instruments**

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

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

## **1.8 Cash and cash equivalents**

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

## **1.9 Other income**

Other income primarily consist of interest income and dividend income. Interest income is recognised using the effective interest method. Dividend income is recognised when right to receive payment is established.

## **1.10 Dividend**

The Company declares and pays dividends in US Dollars.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(Amount in USD)

## 2 Non current investments

*(at cost)*

	As at 31 March 2022	As at 31 March 2021
<b>Investments in equity instrument of fellow subsidiary</b>		
KPIT Technologías Ltda.	250	250
1 (Previous year 1) equity share of BRL 1 each fully paid up		
<b>Investments in equity instrument of subsidiary</b>		
KPIT Technologies Inc., USA	14,400,000	14,400,000
5,000,000 (Previous year 5,000,000) shares of common stock at par value of USD 1 each		
	<b>14,400,250</b>	<b>14,400,250</b>

## 3 Cash and bank balances

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balances with banks		
In current accounts	2,576,052	2,583,452
	<b>2,576,052</b>	<b>2,583,452</b>

## 4 Share capital

	As at 31 March 2022	As at 31 March 2021
<b>Authorised:</b>		
17,000,000 shares of common stock at par value of USD 1 each	17,000,000	17,000,000
<b>Issued subscribed and fully paid up:</b>		
17,000,000 shares of common stock at par value of USD 1 each	17,000,000	17,000,000
	<b>17,000,000</b>	<b>17,000,000</b>

### 4.1 Dividend

During the current year, the Company has paid dividend amounting to USD 2,000,000 to its holding company, KPIT Technologies Limited, India.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(Amount in USD)

## 5 Other income

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Interest income	2,315	881
Dividend income from KPIT Technologies Inc.	2,000,000	-
	<b>2,002,315</b>	<b>881</b>

## 6 Other expenses

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Rates & taxes	6,850	13,700
Legal and professional fees	1,984	875
Miscellaneous expenses (net)	881	771
	<b>9,715</b>	<b>15,346</b>

## 7 Contingent liabilities and Commitments

The Company has no contingent liabilities and commitments as at 31 March 2022.

## 8 Related party disclosures

### i. Name of the related party and nature of relationship where control exists:

Relationship	Name of related party
<b>Holding Company</b>	KPIT Technologies Limited, India
<b>Subsidiary Company</b>	KPIT Technologies Inc., USA
<b>Fellow Subsidiary Companies</b>	KPIT Technologies (UK) Limited
	KPIT (Shanghai) Software Technology Co. Limited, China
	KPIT Technologies GK, Japan
	KPIT Technologias Ltda.
	KPIT Technologies Pte. Ltd. (under strike off)
	KPIT Technologies Netherlands B.V.
	PathPartner Technology Private Limited (w.e.f. 1 October 2021)
	PathPartner Technology Inc. (through PathPartner Technology Private Limited)
	PathPartner Technology GmbH (through PathPartner Technology Private Limited)
	ThaiGerTec Co. Limited
	KPIT Technologies GmbH, Germany (Through KPIT Technologies (UK) Limited)
	MicroFuzzy Industrie-Elektronik GmbH, Germany (Through KPIT Technologies GmbH, Germany)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(Amount in USD)

## ii. List of Key Management Personnel

Key Management Personnel	Mr. Kishor Patil	Director and president
	Mr. Sachin Tikekar	Director
	Mr. Rajeev Kulkarni	Secretary and treasurer (upto 31 December 2021)
	Mr. Craig Silberman	Secretary and treasurer (w.e.f. 1 January 2022)

## iii. Transactions with related parties:

No.	Name of related party	FY 2021-22		FY 2020-21	
		Amount of transactions during the period	Balance as on 31 March 2022 Debit/(Credit)	Amount of transactions during the period	Balance as on 31 March 2021 Debit/(Credit)
<b>Transactions with holding and subsidiary companies</b>					
1	<b>KPIT Technologies Limited</b>				
	Dividend paid	2,000,000	NIL	NIL	NIL
2	<b>KPIT Technologies Inc., USA</b>				
	Dividend received	2,000,000	NIL	NIL	NIL

For and on behalf of the Board of Directors of  
KPIT Technologies Holding Inc.

**Kishor Patil**  
Director

**Sachin Tikekar**  
Director

Place: Pune

Date: 23 April 2022

**KPIT Technologies Inc.**

Registered Office: 21333 Haggerty Road, Suite 100, Novi, MI 48375.

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	USD	USD
Total Income	121,386,860	114,070,881
Net Profit / (Loss) for the year	770,241	4,049,855

**Directors**

During the year under review, Mr. Pushpahas Joshi was appointed as a Director of the Company with effect from August 10, 2021.

**Dividend**

During the year under review, the Company has paid dividend amounting to USD 2,000,000 to its holding company, KPIT Technologies Holding Inc., USA.

**Audit**

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of KPIT Technologies Limited, the parent company. Hence, no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors,  
**KPIT Technologies Inc.**

Pune  
April 23, 2022

**Kishor Patil**  
Chairman

**BALANCE SHEET**

(Amount in USD)

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	157,504	139,624
Right-of-use assets	4	609,636	1,200,198
Capital work-in-progress		23,871	-
Other intangible assets	5	153,995	5,511
<b>Financial assets</b>			
Other financial assets	6	16,069	3,492
Income tax assets (net)		976,648	369,440
Deferred tax assets	7	1,155,826	1,055,055
Other non-current assets	8	37,083	1,746
		<b>3,130,632</b>	<b>2,775,066</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables			
Billed	9	13,334,187	12,893,824
Unbilled		2,638,399	2,351,864
Cash and cash equivalents	10	17,940,409	16,371,382
Loans	11	61,377	-
Other financial assets	12	-	1,831,388
Other current assets	13	525,772	219,113
		<b>34,500,144</b>	<b>33,667,571</b>
<b>TOTAL ASSETS</b>		<b>37,630,776</b>	<b>36,442,637</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	5,000,000	5,000,000
Other equity		13,014,062	14,243,821
		<b>18,014,062</b>	<b>19,243,821</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		529,769	1,275,598
Other financial liabilities	15	922,740	574,800
		<b>1,452,509</b>	<b>1,850,398</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		103,240	144,186
Trade payables		8,047,323	6,738,509
Other financial liabilities	16	3,187,722	1,139,506
Other current liabilities	17	5,745,626	6,464,517
Provisions	18	434,268	429,552
Income tax liabilities (net)		646,026	432,148
		<b>18,164,205</b>	<b>15,348,418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,630,776</b>	<b>36,442,637</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of  
KPIT Technologies Inc.

Rajeeb Nath  
Director

Sachin Tikekar  
Director

Place: Pune  
Date: 23 April 2022

## STATEMENT OF PROFIT AND LOSS

(Amount in USD)

	Note	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Revenue from operations	19	121,110,806	114,003,847
Other income	20	276,054	67,034
<b>Total income</b>		<b>121,386,860</b>	<b>114,070,881</b>
<b>Expenses</b>			
Employee benefits expense	21	42,986,909	40,674,757
Finance costs	22	297,733	305,058
Depreciation and amortisation		255,592	4,35,161
Other expenses	23	76,818,961	67,238,684
<b>Total expenses</b>		<b>120,359,195</b>	<b>108,653,660</b>
<b>Profit before tax</b>		<b>1,027,665</b>	<b>5,417,221</b>
<b>Tax expenses</b>			
Current tax		358,195	1,957,847
Deferred tax benefit		(100,771)	(590,481)
<b>Total tax expense</b>		<b>257,424</b>	<b>1,367,366</b>
<b>Profit for the year</b>		<b>770,241</b>	<b>4,049,855</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>770,241</b>	<b>4,049,855</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of  
KPIT Technologies Inc.

Rajeeb Nath  
Director

Sachin Tikekar  
Director

Place: Pune

Date: 23 April 2022

# STATEMENT OF CHANGES IN EQUITY

(Amount in USD)

## A Equity share capital

<b>Balance as at 31 March 2020</b>	<b>5,000,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2021</b>	<b>5,000,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2022</b>	<b>5,000,000</b>

## B Other equity

Particulars	Reserves & surplus		Total
	Capital Reserve	Retained earnings	
<b>Balance as at 1 April 2020</b>	<b>7,081,510</b>	<b>3,112,456</b>	<b>1,0193,966</b>
Profit for the year	-	4,049,855	4,049,855
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,049,855</b>	<b>4,049,855</b>
<b>Balance as at 31 March 2021</b>	<b>7,081,510</b>	<b>7,162,311</b>	<b>14,243,821</b>
<b>Balance as at 1 April 2021</b>	<b>7,081,510</b>	<b>7,162,311</b>	<b>14,243,821</b>
Profit for the year	-	770,241	770,241
Other comprehensive income (net of tax)	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>770,241</b>	<b>770,241</b>
<b>Others</b>			
Dividend paid to holding company	-	2,000,000	2,000,000
<b>Balance as at 31 March 2022</b>	<b>7,081,510</b>	<b>5,932,552</b>	<b>13,014,062</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of  
KPIT Technologies Inc.

**Rajeeb Nath**  
Director

**Sachin Tikekar**  
Director

Place: Pune

Date: 23 April 2022

## STATEMENT OF CASH FLOWS

(Amount in USD)

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
<b>A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	770,241	4,049,855
<b>Adjustments for:</b>		
Tax expense	257,424	1,367,366
Depreciation and amortisation expense	255,592	435,161
Interest expense	297,733	305,058
Interest income	(13,614)	(9,167)
Bad debts written off	469	169,867
Provision for doubtful debts and advances (net)	(378,802)	560,691
Net unrealised foreign exchange profit/(loss)	(3,549)	10,174
Others	(228,592)	-
Operating profit before working capital changes	956,902	6,889,005
<b>Adjustments for changes in working capital:</b>		
Trade receivables	(347,772)	3,713,504
Loans, other financial assets and other assets	1,507,124	1,967,280
Trade payables	1,311,568	(8,569,559)
Other financial liabilities, other liabilities and provisions	1,674,794	2,156,960
<b>Cash generated from operations</b>	<b>5,102,616</b>	<b>6,157,190</b>
Taxes paid (net)	(751,525)	(1,474,589)
<b>Net cash from operating activities (A)</b>	<b>4,351,091</b>	<b>4,682,601</b>
<b>B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(308,581)	(71,535)
Interest received	9,656	8,334
<b>Net cash used in investing activities (B)</b>	<b>(298,925)</b>	<b>(63,201)</b>

# STATEMENT OF CASH FLOWS

(Amount in USD)

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
<b>C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(215,669)	(225,257)
Loan given to related party	(58,000)	-
Interest and finance charges paid	(209,470)	(207,805)
Dividend paid to holding company	(2,000,000)	-
<b>Net cash used in financing activities (C)</b>	<b>(2,483,139)</b>	<b>(433,062)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>1,569,027</b>	<b>4,186,338</b>
Cash & cash equivalents at close of the year (Refer note 10)	17,940,409	16,371,382
Cash & cash equivalents at beginning of the year	16,371,382	12,185,044
<b>Cash surplus for the year</b>	<b>1,569,027</b>	<b>4,186,338</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors of  
KPIT Technologies Inc.

**Rajeeb Nath**

Director

**Sachin Tikekar**

Director

Place: Pune

Date: 23 April 2022

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

## 1. Company Overview

KPIT Technologies Inc. ("the Company") is a company incorporated on 3 April 2018 in the state of Delaware, USA. The Company is a wholly owned subsidiary of KPIT Technologies Holding Inc., USA.

The Company provides Technology solutions in embedded software for the Automobile and Mobility Industry.

## 2. Significant accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013. The financial statements are presented in US Dollars ("USD"), unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

#### Use of estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognised in the year in which the results are known/materialised.

#### Critical accounting estimates

##### i. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the costs expended to date as a proportion of the total estimated costs to be expended. Costs expended have been used to measure progress towards completion as generally it is estimated that there is a direct relationship between input and output in respect of work completed.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the period end date.

##### ii. Income Tax

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

##### iii. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities.

##### iv. Leases

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH 2022

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

### v. Valuation of deferred tax assets

The Company reviews carrying amount of deferred tax asset at the end of each reporting period. The policy has been explained under note 2.18.

## 2.2 Current–non-current classification

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

### Assets

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

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

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

### Liabilities

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

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

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

### Operating cycle

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

## 2.3 Foreign currency transactions

### a. Functional and presentation currency

US Dollar ("USD") is the Company's functional as well as presentation currency.

- b. Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realised exchange differences are recognised in the Statement of Profit and

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH 2022

Loss. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate prevalent at the date when the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate prevalent at the date of transaction.

### 2.4 Financial instruments

#### a. Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### b. Subsequent measurement

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

###### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognised in other comprehensive income.

###### Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### c. Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

## d. Fair value measurement of financial instruments

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

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

## 2.5 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets under construction are disclosed as capital work-in-progress.

## 2.6 Leases

A contract, or part of a contract, is a lease if that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

### The Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH 2022

or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in 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 recognised as an expense on a straight-line basis over the lease term.

### **The Company as a lessor**

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

### **2.7 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

## 2.8 Depreciation and amortisation

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment <sup>(1)</sup>	4
Office Equipment <sup>(1)</sup>	10
Furniture and fixtures <sup>(1)</sup>	8

<sup>(1)</sup> For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The right-of-use asset is depreciated over shorter of useful life and lease term.

Perpetual software licenses are amortised over 4 years. However, time-based software licenses are amortised over the license period.

Capitalised development costs are amortised over a period of 3 to 4 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Improvements to leased premises are amortised over the remaining non-cancellable period of the lease.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## 2.9 Impairment

### a. Financial assets

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

## b. Non- financial assets

### Property, plant and equipment and intangible assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

### 2.10 Provisions, Contingent liabilities and Contingent assets

The Company recognises provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision is recognised for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b. Present obligations that arise from past events but are not recognised because-
  - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - 2) A reliable estimate of the amount of obligation cannot be made.

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

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

## 2.11 Cash and cash equivalents

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

## 2.12 Revenue recognition

The Company derives revenues primarily from providing engineering services which includes design engineering services, embedded software development with its related services and from the sale of licenses and products.

The following is the summary of significant accounting policies related to revenue recognition:

Revenue is recognised upon transfer of control of promised services or products to customers for an amount that reflects the consideration expected to be received in exchange of those services or products.

Arrangements with customers for such engineering and its related services are bifurcated into following key categories:

- a. Revenue on time and material contracts for the reporting period is recognised as and when the related services are performed and billed to the end customers. If billing for the related services is not done during the reporting period, revenue is recognized as unbilled revenue at the end of the reporting period.
- b. Revenue from fixed price contracts where the performance obligations are directly linked to costs expended and are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. Costs expended have been used to measure progress towards completion as generally there is a direct relationship between input and output in respect of work completed.
- c. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.
- d. Revenue from client training, support and other services arising due to the sale of software products is recognised as the services are performed.
- e. Revenue from internally developed software product licenses where the customer obtains a “right to use” the license is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period.
- f. Revenue from sale of third party licenses is recognised only when the sale is completed by passing ownership.
- g. Revenue from sale of hardware products is recognized upon actual delivery of goods along with transfer of control and significant risks and rewards to the customers.

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

- a. Revenue in excess of invoicing is classified either as contract asset (unbilled revenue) or financial asset (unbilled revenue), while invoicing in excess of revenue is classified as contract liabilities (unearned revenue).
- b. Unbilled revenue is classified as contract asset when there is a right to consideration in exchange for goods or services which is conditional on something other than the passage of time. Whereas, it is classified as financial asset when such right to consideration in exchange for goods or services is conditional only on passage of time.
- c. Amount billed in advance, without services being rendered, is classified as unearned revenue (contract liabilities).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED ON 31 MARCH 2022

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses and incentives, if any, as specified in the contract with the customer. Expenses reimbursed by customers during the project execution are recorded as reduction to associated costs.

- d. The Company accounts for volume and/or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.
- e. When there is an uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
- f. In accordance with Ind-AS 37, provision for onerous contract/estimated losses, if any, on uncompleted contracts are recorded in a period in which such losses become probable based on the expected contract estimates at the period end date.
- g. The Company presents revenues net of indirect tax in its Statement of Profit and Loss.
- h. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under Ind-AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts is allocated to each performance obligation of the contract based on its relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customised as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied. ATS revenue is recognised ratably over the period in which the services are rendered.
- i. In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Significant judgments in revenue recognition:

- a. The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b. Judgment is also required to determine the transaction price for the contract. 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. 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 recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH 2022

performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- c. The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- d. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- e. Revenue from fixed price contracts where the performance obligations are directly linked to costs expended and are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

### 2.13 Other income

Other income primarily consist of interest income and net foreign exchange gain. Interest income is recognised using the effective interest method.

### 2.14 Finance costs

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

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

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

### 2.15 Employee benefits

#### a. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee contribution plans which are defined contribution plans. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### b. Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH 2022

### 2.16 Employee stock option

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

When the terms of the share-based payment arrangement are modified, the minimum expense recognised is the expense had the terms not been modified. Additional expense is recognised on modification that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. Where the grant of equity instruments is cancelled by the entity, the remaining fair value is recognised immediately in the Statement of Profit and Loss.

### 2.17 Dividend

The Company declares and pays dividends in US Dollars and are subject to applicable withholding taxes.

### 2.18 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 3 Property, plant and equipment

	Plant and equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<b>Gross carrying amount as at 1 April 2020</b>	<b>192,053</b>	<b>8,511</b>	<b>39,428</b>	<b>12,356</b>	<b>252,348</b>
Additions	54,735	10,700	-	-	65,435
<b>Gross carrying amount as at 31 March 2021</b>	<b>246,788</b>	<b>19,211</b>	<b>39,428</b>	<b>12,356</b>	<b>317,783</b>
<b>Accumulated depreciation as at 1 April 2020</b>	<b>125,409</b>	<b>2,913</b>	<b>16,526</b>	<b>1,121</b>	<b>145,969</b>
Depreciation for the year	25,779	1,470	3,605	1,336	32,190
<b>Accumulated depreciation as at 31 March 2021</b>	<b>151,188</b>	<b>4,383</b>	<b>20,131</b>	<b>2,457</b>	<b>178,159</b>
<b>Carrying amount as at 1 April 2020</b>	<b>66,644</b>	<b>5,598</b>	<b>22,902</b>	<b>11,235</b>	<b>106,379</b>
<b>Carrying amount as at 31 March 2021</b>	<b>95,600</b>	<b>14,828</b>	<b>19,297</b>	<b>9,899</b>	<b>139,624</b>
<b>Gross carrying amount as at 1 April 2021</b>	<b>246,788</b>	<b>19,211</b>	<b>39,428</b>	<b>12,356</b>	<b>317,783</b>
Additions	77,066	-	-	-	77,066
Disposal/Retirements/Derecognition	-	4,085	16,865	12,356	33,306
<b>Gross carrying amount as at 31 March 2022</b>	<b>323,854</b>	<b>15,126</b>	<b>22,563</b>	<b>-</b>	<b>361,543</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>151,188</b>	<b>4,383</b>	<b>20,131</b>	<b>2,457</b>	<b>178,159</b>
Depreciation for the year	39,951	1,885	3,537	1,281	46,654
Disposal/Retirements/Derecognition	-	2,052	14,984	3,738	20,774
<b>Accumulated depreciation as at 31 March 2022</b>	<b>191,139</b>	<b>4,216</b>	<b>8,684</b>	<b>-</b>	<b>204,039</b>
<b>Carrying amount as at 1 April 2021</b>	<b>95,600</b>	<b>14,828</b>	<b>19,297</b>	<b>9,899</b>	<b>139,624</b>
<b>Carrying amount as at 31 March 2022</b>	<b>132,715</b>	<b>10,910</b>	<b>13,879</b>	<b>-</b>	<b>157,504</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 4 Right-of-use assets

	Building (Leasehold)	Total
<b>Gross carrying amount as at 1 April 2020</b>	<b>1,539,337</b>	<b>1,539,337</b>
Additions	-	-
<b>Gross carrying amount as at 31 March 2021</b>	<b>1,539,337</b>	<b>1,539,337</b>
<b>Accumulated depreciation as at 1 April 2020</b>	<b>164,668</b>	<b>164,668</b>
Depreciation for the year	174,471	174,471
<b>Accumulated depreciation as at 31 March 2021</b>	<b>339,139</b>	<b>339,139</b>
<b>Carrying amount as at 1 April 2020</b>	<b>1,374,669</b>	<b>1,374,669</b>
<b>Carrying amount as at 31 March 2021</b>	<b>1,200,198</b>	<b>1,200,198</b>
<b>Gross carrying amount as at 1 April 2021</b>	<b>1,539,337</b>	<b>1,539,337</b>
Additions	571,028	571,028
Derecognition/adjustments	1,422,185	1,422,185
<b>Gross carrying amount as at 31 March 2022</b>	<b>688,180</b>	<b>688,180</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>339,139</b>	<b>339,139</b>
Depreciation for the year	179,674	179,674
Derecognition/adjustments	440,269	440,269
<b>Accumulated depreciation as at 31 March 2022</b>	<b>78,544</b>	<b>78,544</b>
<b>Carrying amount as at 1 April 2021</b>	<b>1,200,198</b>	<b>1,200,198</b>
<b>Carrying amount as at 31 March 2022</b>	<b>609,636</b>	<b>609,636</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 5 Other intangible assets

	Internally Generated	Other than Internally Generated Software	Total
	Product Development Cost		
<b>Gross carrying amount as at 1 April 2020</b>	<b>345,286</b>	-	<b>345,286</b>
Additions	-	6,100	6,100
<b>Gross carrying amount as at 31 March 2021</b>	<b>345,286</b>	<b>6,100</b>	<b>351,386</b>
<b>Accumulated amortisation as at 1 April 2020</b>	<b>117,375</b>	-	<b>117,375</b>
Amortisation for the year	227,025	1,475	228,500
<b>Accumulated amortisation as at 31 March 2021</b>	<b>344,400</b>	<b>1,475</b>	<b>345,875</b>
<b>Carrying amount as at 1 April 2020</b>	<b>227,911</b>	-	<b>2,27,911</b>
<b>Carrying amount as at 31 March 2021</b>	<b>886</b>	<b>4,625</b>	<b>5,511</b>
<b>Gross carrying amount as at 1 April 2021</b>	<b>345,286</b>	<b>6,100</b>	<b>351,386</b>
Additions	-	177,748	177,748
<b>Gross carrying amount as at 31 March 2022</b>	<b>345,286</b>	<b>183,848</b>	<b>529,134</b>
<b>Accumulated amortisation as at 1 April 2021</b>	<b>344,400</b>	<b>1,475</b>	<b>345,875</b>
Amortisation for the year	886	28,378	29,264
<b>Accumulated amortisation as at 31 March 2022</b>	<b>345,286</b>	<b>29,853</b>	<b>375,139</b>
<b>Carrying amount as at 1 April 2021</b>	<b>886</b>	<b>4,625</b>	<b>5,511</b>
<b>Carrying amount as at 31 March 2022</b>	<b>-</b>	<b>153,995</b>	<b>153,995</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 6 Other financial assets

*(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
Security deposits	16,069	3,492
	<b>16,069</b>	<b>3,492</b>

## 7 Deferred tax assets (net)

	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets</b>		
Provision for compensated absences	108,071	107,196
Subcontractor payable	20,588	181,303
Provision for bad and doubtful debts and advances	209,571	363,435
Others	895,159	439,229
	<b>1,233,389</b>	<b>1,091,163</b>
<b>Deferred tax liabilities</b>		
Excess of depreciation/amortisation on property, plant and equipment and other intangible assets under income-tax law over depreciation/amortisation provided in accounts	77,563	36,108
	<b>77,563</b>	<b>36,108</b>
<b>Net deferred tax asset</b>	<b>1,155,826</b>	<b>1,055,055</b>

## 8 Other non-current assets

*(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
Capital advances	37,083	-
Others	-	1,746
	<b>37,083</b>	<b>1,746</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 9 Trade receivables

*(Unsecured)*

	As at 31 March 2022	As at 31 March 2021
Receivables considered good	13,334,187	12,893,824
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	842,131	1,443,420
	14,176,318	14,337,244
Less: Allowances for bad and doubtful trade receivables	842,131	1,443,420
	<b>13,334,187</b>	<b>12,893,824</b>

### Note:

Trade receivables from related parties are disclosed in note 26.

## 10 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
In current accounts	17,940,409	16,371,382
	<b>17,940,409</b>	<b>16,371,382</b>

## 11 Loans

*(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
<b>Loans and advances to related parties (Refer note 26)</b>		
Loan to KPIT Technologies Ltda.	61,377	-
	<b>61,377</b>	<b>-</b>

## 12 Other current financial assets

*(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
Other receivables	-	1,831,388
	<b>-</b>	<b>1,831,388</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 13 Other current assets

*(Unsecured, considered good unless otherwise stated)*

	As at 31 March 2022	As at 31 March 2021
Employee advances	180,440	46,946
Advance to suppliers	21,989	-
Prepaid expenses	38,282	-
Contract assets	285,061	171,895
Others	-	272
	<b>525,772</b>	<b>219,113</b>

## 14 Share capital

	As at 31 March 2022	As at 31 March 2021
<b>Authorised:</b>		
7,500,000 shares of common stock at par value of USD 1 each	7,500,000	7,500,000
	<b>7,500,000</b>	<b>7,500,000</b>
<b>Issued subscribed and fully paid up:</b>		
5,000,000 shares of common stock at par value of USD 1 each	5,000,000	5,000,000
	<b>5,000,000</b>	<b>5,000,000</b>

### 14.1 Dividend

During the current year, the Company has paid dividend amounting to USD 2,000,000 to its holding company, KPIT Technologies Holding Inc., USA.

## 15 Other non-current financial liabilities

	As at 31 March 2022	As at 31 March 2021
<b>Other than trade payables</b>		
Accrued employee costs	922,740	574,800
	<b>922,740</b>	<b>574,800</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 16 Other current financial liabilities

	As at 31 March 2022	As at 31 March 2021
<b>Other than trade payables</b>		
Accrued employee costs	3,156,279	970,409
Capital creditors	7,187	-
Payable to related parties (Refer note 26)	24,256	85,313
Others	-	83,784
	<b>3,187,722</b>	<b>1,139,506</b>

## 17 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Unearned revenue	4,021,395	4,633,722
Statutory remittances	1,724,231	1,830,795
	<b>5,745,626</b>	<b>6,464,517</b>

## 18 Short-term provisions

	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefit</b>		
Compensated absences	434,268	429,552
	<b>434,268</b>	<b>429,552</b>

## 19 Revenue from operations

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Software services	121,110,806	114,003,847
	<b>121,110,806</b>	<b>114,003,847</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 20 Other income

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Interest income	13,614	9,167
Foreign exchange gain (net)	-	5,307
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	262,440	52,560
	<b>276,054</b>	<b>67,034</b>

## 21 Employee benefits expense

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Salaries, wages and incentives	42,812,048	40,477,806
Staff welfare expenses	34,548	18,138
Share based compensation to employees	140,313	178,813
	<b>42,986,909</b>	<b>40,674,757</b>

## 22 Finance costs

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Finance cost on lease liabilities (Refer note 25)	88,263	97,253
Other interest expense	209,470	207,805
	<b>297,733</b>	<b>305,058</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 23 Other expenses

	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Travel expenses (net)	1,740,831	1,530,337
Cost of service delivery (net)	67,509,084	57,954,786
Cost of professional sub-contracting (net)	5,215,803	5,387,242
Recruitment and training expenses	354,904	98,073
Power and fuel	36,489	26,077
Rent (short-term and low values leases) (Refer note 25)	67,630	131,055
Repairs and maintenance	12,058	12,364
Insurance	50,124	27,154
Rates & taxes	236,626	198,711
Communication expenses (net)	88,426	230,003
Legal and professional fees	1,466,019	438,870
Marketing expenses	94,783	127,570
Foreign exchange loss (net)	153	-
Bad debts written off	469	169,867
Provision for doubtful debts and advances (net)	(378,802)	560,691
Miscellaneous expenses (net)	324,364	345,884
	<b>76,818,961</b>	<b>67,238,684</b>

### Note

Certain expenses are net of recoveries/reimbursements from customers.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 24 Contingent liabilities and Commitments

The Company has no contingent liabilities and commitments as at 31 March 2022.

## 25 Lease transactions

### Company as a lessee

The Company's lease asset class mainly include rental office premises.

i. Refer note 4 for changes in the carrying amount of right of use assets for the year ended 31 March 2022.

### ii. Break up of current and non-current lease liabilities

Particulars	31 March 2022	31 March 2021
Non-current lease liabilities	529,769	1,275,598
Current lease liabilities	103,240	144,186
<b>Total</b>	<b>633,009</b>	<b>1,419,784</b>

### iii. Movement in lease liabilities

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	1,419,784	1,547,788
Additions during the year	563,673	-
Finance cost accrued on lease liabilities	88,263	97,253
Payment of lease liabilities	215,669	225,257
Termination/modification of leases	1,223,042	-
<b>Balance at the end of the year</b>	<b>633,009</b>	<b>1,419,784</b>

### iv. Contractual maturities of lease liabilities on an undiscounted cash flows basis

Particulars	31 March 2022	31 March 2021
Not later than one year	140,800	232,966
Later than one year and not later than five years	589,267	974,276
Later than five years	12,133	596,779
<b>Total undiscounted lease liabilities</b>	<b>742,200</b>	<b>1,804,021</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## 26 Related party disclosures

### i. Name of the related party and nature of relationship where control exists:

Relationship	Name of related party
<b>Ultimate Holding Company</b>	KPIT Technologies Limited, India
<b>Holding Company</b>	KPIT Technologies Holding Inc., USA
<b>Fellow Subsidiary Companies</b>	KPIT Technologies (UK) Limited
	KPIT (Shanghai) Software Technology Co. Limited, China
	KPIT Technologies GK, Japan
	KPIT Technologies Ltda.
	KPIT Technologies Pte. Ltd. (under strike off)
	KPIT Technologies Netherlands B.V.
	PathPartner Technology Private Limited (w.e.f. 1 October 2021)
	PathPartner Technology Inc. (through PathPartner Technology Private Limited)
	PathPartner Technology GmbH (through PathPartner Technology Private Limited)
	ThaiGerTec Co. Limited
	KPIT Technologies GmbH, Germany (through KPIT Technologies (UK) Limited)
	MicroFuzzy Industrie-Elektronik GmbH, Germany (through KPIT Technologies GmbH, Germany)

### ii. List of Key Management Personnel

Key Management Personnel (KMP)	Mr. Kishor Patil	Director
	Mr. Sachin Tikekar	Director
	Mr. Nickhil Jakatdar	Director (w.e.f 4 August 2020)
	Mr. Chinmay Pandit	Director (w.e.f 4 August 2020)
	Mr. Rajeeb Nath	Director (w.e.f 4 August 2020), President
	Mr. Rajiv Kulkarni	Secretary and treasurer (upto 31 December 2021)
	Mr. Craig Silberman	Secretary and treasurer (w.e.f. 1 January 2022)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

## iii. Transactions with related parties

No.	Name of related party	FY 2021-22		FY 2020-21	
		Amount of transactions during the period	Balance as on 31 March 2022 Debit/(Credit)	Amount of transactions during the period	Balance as on 31 March 2021 Debit/(Credit)
<b>Transactions with holding and subsidiary companies<sup>(i)</sup></b>					
1	<b>KPIT Technologies Limited</b>				
	Sales	NIL	1,687	NIL	1,687
	Software service charges	61,335,360	(6,670,300)	53,850,183	(5,721,335)
	Allocation of administrative support charges	2,304,391		1,729,340	
	Advance (net)	295,399	(24,256)	46,457	(85,313)
	Reimbursement of expenses (net)	134,263		222,318	
2	<b>KPIT Technologies Netherlands B.V.</b>				
	Sales	104,398	24,831	1,181	NIL
	Software service charges	377	NIL	2,919	(2,919)
3	<b>KPIT (Shanghai) Software Technology Co. Limited, China</b>				
	Sales	16,584	7,208	6,257	(364)
	Software service charges	67,624	(3,513)	3,592	(1,443)
4	<b>KPIT Technologies GK (South Korea Branch)</b>				
	Sales	NIL	NIL	2,290	2,386
	Software service charges	23,695	3,184	160,871	(58,582)
5	<b>KPIT Technologies GK, Japan</b>				
	Sales	147,848	51,996	31,115	(9,062)
	Software service charges	13,288	3,077	30,883	NIL
6	<b>KPIT Technologies (UK) Limited</b>				
	Sales	6,929	42	59,795	(9,149)
	Software service charges	100,108	(12,391)	82,333	(6,512)
7	<b>KPIT Technologies GmbH, Germany</b>				
	Sales	133,939	118,591	29,115	106,641
	Software service charges	5,352,258	(642,448)	5,066,479	(541,223)
	Interest income received	NIL	NIL	28,151	NIL
8	<b>KPIT Technologies Pte. Ltd.</b>				
	Sales	NIL	NIL	13,265	NIL

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

No.	Name of related party	31 March 2022		31 March 2021	
		Amount of transactions during the year	Balance as on 31 March 2022 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)
<b>Transactions with holding and subsidiary companies <sup>(i)</sup></b>					
9	<b>KPIT Technologies (UK) Limited (Sweden branch)</b>				
	Sales	232	12,833	14,612	14,112
	Software service charges	1,303	NIL	2,071	NIL
10	<b>KPIT Technologies (UK) Limited (Italy branch)</b>				
	Sales	NIL	NIL	77	NIL
11	<b>MicroFuzzy Industrie-Elektronik GmbH</b>				
	Sales	18,995	7,770	3,461	(949)
	Software service charges	54,270	14,271	314,125	(8,763)
12	<b>KPIT Technologias Ltda.</b>				
	Loan given	58,000	61,377	NIL	NIL
	Interest income	3,377		NIL	
13	<b>KPIT Technologies Holding Inc., USA</b>				
	Dividend	2,000,000	NIL	NIL	NIL

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 MARCH 2022

(Amount in USD)

No.	Name of related party	31 March 2022		31 March 2021	
		Amount of transactions during the year	Balance as on 31 March 2022 Debit/(Credit)	Amount of transactions during the year	Balance as on 31 March 2021 Debit/(Credit)
<b>Transactions with Key Management Personnel</b>					
1	<b>Mr. Sachin Tikekar</b>				
	Employee benefits (other than share compensation expense)	4,800	NIL	4,800	NIL
2	<b>Mr. Chinmay Pandit</b>				
	Employee benefits (other than share compensation expense)	203,790	NIL	NA	NA
	Advance (net)	50,000	39,583	NA	NA
	Reimbursement of expenses (net)	6,414	NIL	NA	NA
3	<b>Mr. Rajeeb Nath</b>				
	Employee benefits (other than share compensation expense)	536,134	NIL	503,572	NIL
	Reimbursement of expenses (net)	11,754	NIL	10,517	NIL
	Share based compensation	15,720	NIL	22,064	NIL
4	<b>Mr. Rajeev Kulkarni</b>				
	Employee benefits (other than share compensation expense)	341,879	NIL	279,590	NIL
	Reimbursement of expenses (net)	7,588	NIL	NIL	NIL
	Share based compensation	7,086	NIL	9,251	NIL
5	<b>Mr. Craig Silberman</b>				
	Employee benefits (other than share compensation expense)	37,900	NIL	NA	NA
	Reimbursement of expenses (net)	1,112	(426)	NA	NA
	Share based compensation	429	NIL	NA	NA

i. All transactions with these related parties are priced on an arm's length basis.

See accompanying notes to the financial statements

**For and on behalf of the Board of Directors of  
KPIT Technologies Inc.**

**Rajeeb Nath**

Director

**Sachin Tikekar**

Director

Place: Pune

Date: 23 April 2022

**KPIT Technologias Ltda.**

Registered Office: Rua James Watt, 84 – 8º andar – Jardim Edith CEP 04576-050 – São Paulo / SP – Brasil

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	R\$	R\$
Total Income	12,560,320	5,905,091
Net Profit / (Loss) for the year	2,393,729	486,633

**Audit**

The Audit Report issued by the Auditor of the Company, Actual Contabilidade S. S. for FY 2021-22 is attached along with the accounts of the Company.

For and on behalf of the Board of Directors,  
**KPIT Technologias Ltda.**

Pune  
April 14, 2022

**Kishor Patil**  
Chairman

# REVIEW REPORT OF FINANCIAL STATEMENTS

(Convenience Translation into English from the Original Previously Issued in Portuguese)

To  
The Management of  
KPIT Tecnologias Ltda.  
São Paulo - SP

## Opinion

We reviewed the financial statements of KPIT Tecnologias Ltda. ("Company") comprising the balance sheet on March 31st, 2022 and respective income statements, changes in shareholders' equity, and cash flow for the year ended on such date, as well as the summary of the main accounting policies and explanatory notes, comprising the significant accounting practices and other clarifying information.

Based on our review, we are not aware of any fact that let us to believe that the financial statements do not present accordingly, in all material matters, the financial position of KPIT Tecnologias Ltda., on March 31, 2022, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil and international financial report standards (IFRS) issued by *International Accounting Standards Board (IASB)*.

## Basis for conclusion of opinion

Our review was carried out according to Brazilian and International audit standards. Our responsibilities, in accordance with such standards, are described in the following section titled "Auditor's responsibility for the audit of the financial statements". We are independent in relation to the Company in accordance with the relevant ethical principles set out in the Code of Ethics of Professional Accountants and professional standards issued by the Federal Accounting Council and have complied with other ethical responsibilities according to these standards.

We believe the evidence obtained by audit is enough and proper to establish the grounds for our opinion.

## Emphasis: Economic dependence due to business concentration

The financial statements referred to in the first paragraph were prepared in accordance with the accounting principles and practices adopted in Brazil and with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB), which presuppose the continuity of business activities by indefinite period, through realization of assets and settlement of liabilities in the normal course

of business. The revenue from services rendered by the Company derives from only a single customer, a circumstance that exposes and links its operational continuity to the permanent success in maintaining the provision of services with the FCA Group (Fiat Chrysler Automóveis). These same financial statements do not reflect any necessary adjustments and reclassifications in the event of an eventual discontinuation of operations due to the subject mentioned above. Our opinion is not qualified in relation to this matter.

## Management's liability on the financial statements

Company's management is liable for preparing and submitting the financial statements according to the accounting practices adopted in Brazil according to the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board – (IASB) and the internal control determined as necessary to allow preparing such financial statements free from relevant misstatement irrespective if caused by fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue operational, disclosing, as applicable, issues related to its operational continuity and using this accounting basis in the preparation of the financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid closing the operations.

## Auditor's responsibility for the audit of the financial statements

Our goals are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with Brazilian and international standards will always detect a material misstatement when it exists. Misstatements should 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 carried out in accordance with Brazilian and International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the relevant risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Understand internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going operational accounting basis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability for operational continuity of Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report, however, adverse events or future conditions may eventually cause the Company to no longer remain in operational continuity.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the correspondent transactions and events in a manner compatible with proper presentation.
- Audit evidence was obtained, suitable and sufficient, regarding financial information to express an opinion on the financial statements. We are responsible for the guidance, supervision and performance of the audit and, consequently, for the audit opinion.

We communicate with the responsible for governance regarding, among other issues, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

São Paulo, April 14, 2022

Actual Contabilidade S.S.  
CRC-SP - 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira  
Accountant CRC - 1SP309141/O-1

## BALANCE SHEETS

AS OF MARCH 31, 2022 AND 2021

(In Brazilian reais without cents)

<b>Assets</b>	<b>2022</b>	<b>2021</b>	<b>Liabilities</b>	<b>2022</b>	<b>2021</b>
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	806,413	348,477	Suppliers	43,619	22,805
Accounts receivable	1,933,394	921,783	Supplier Intercompany	270	270
Recoverable taxes	411,728	191,121	Taxes and contributions payable	1,021,831	504,448
Other accounts receivable	11,829	4,600	Intercompany loan agreement	290,794	-
	3,163,364	1,465,981		1,356,514	527,523
<b>Non-Current assets:</b>			<b>Non-Current liabilities:</b>		
Long Term Debt:			Supplier Intercompany	-	263,367
Judicial Deposits	11,127	11,127			
Property, plant and equipment	835,647	522,736	<b>Shareholders' equity:</b>		
Intangible	949,059	-	Capital stock	1,000	1,000
	1,795,833	533,863	Accumulated profits	3,601,683	1,207,954
				3,602,683	1,208,954
	<b>4,959,197</b>	<b>1,999,844</b>		<b>4,959,197</b>	<b>1,999,844</b>

The accompanying notes are an integral part of these financial statements.

## INCOME STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

(In Brazilian reais without cents, except profit per sharequota)

	2022	2021
Gross revenue:		
Services revenue - domestic market	13,440,682	6,318,983
Deductions:		
Sales Taxes	(880,362)	(413,892)
Operational net revenue	12,560,320	5,905,091
Cost of services rendered	(8,073,147)	(4,670,780)
Gross profit	4,487,173	1,234,311
Operational expenses		
Administrative and general expenses	(894,192)	(560,017)
Tax expenses	(70,770)	(82,570)
Finance (expenses) revenues, net	(8,431)	(8,102)
	(973,393)	(650,689)
Profit before financial result	3,513,780	583,622
Income and Social contributions tax	(1,120,051)	(96,989)
Profit for the year	<b>2,393,729</b>	<b>486,633</b>
Profit per sharequota	2,393.73	486.63

The accompanying notes are an integral part of these financial statements.

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Accumulated		Total
	Capital Stock	profits	
Balances at April 1st, 2020	1,000	721,321	722,321
Profit for the year	-	486,633	486,633
Balances at March 31, 2021	1,000	1,207,954	1,208,954
Profit for the year	-	2,393,729	2,393,729
Balances at March 31, 2022	1,000	3,601,683	3,602,683

The accompanying notes are an integral part of these financial statements.

## CASH FLOW STATEMENTS

FOR THE YEARS ENDED MARCH 31 2022, AND 2021

(In Brazilian reais without cents)

	2022	2021
<b>CASH FLOW OF OPERATIONAL ACTIVITIES</b>		
Profit for the year	2,393,729	486,633
Adjustments to reconcile the fiscal year net profit with Cash generated by operational activities:		
Depreciation	330,329	60,513
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	(1,011,611)	(710,499)
Recoverable taxes	(220,607)	(105,959)
Others accounts receivable	(7,229)	83,970
Increase (decrease) in the operational liabilities:		
Suppliers	20,814	(11,808)
Supplier Intercompany	-	270
Taxes and contributions payable	517,383	325,472
<b>Cash generated by operational activities</b>	<b>2,022,808</b>	<b>128,592</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Acquisition of fixed and intangible assets	(1,592,299)	(479,134)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Intercompany loan agreement	290,794	-
Supplier Intercompany	(263,367)	263,367
	27,427	263,367
<b>INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE</b>	<b>457,936</b>	<b>(87,175)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Opening Balance	348,477	435,652
Ending Balance	806,413	348,477
<b>INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE</b>	<b>457,936</b>	<b>(87,175)</b>

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

**YEARS ENDED MARCH 31, 2022 AND 2021**

*(In Brazilian reais without cents)*

## 1 - Operational context

The Company's activities include basically: (i) the computer customized programs development, including the systems development to attend the customers' needs and the programming using tools, languages and technical documentation of computer programs, developed upon customization; (ii) the consulting services in the information technology area; (iii) the development and license of customized and non-customized computer programs; (iv) participation in other companies.

In accordance with the 9th Amendment to the Articles of Association, the Company changed its name from Microfuzzy KPIT Tecnologia Ltda. to KPIT Technologias Ltda. as of January 21, 2021.

## 2 - Presentation of the Financial Statements

### a. Statement of compliance with IFRS and BRGAAP standards

Financial Statements have been prepared according to the accounting practices adopted in Brazil which encompasses the Business Corporations Laws, and Pronouncing, Guidance And Interpretation issued by Accounting Pronouncing Committee - CPC.

On April 14<sup>th</sup>, 2022, The Administration of Company authorized the conclusion of such financial statements.

### b. Measurement base

The financial statements have been prepared based on the historic cost except the following material items recognized in the balance sheet:

Non-derivative financial Instruments designated at fair value by means of the results are measured at fair value.

The financial assets available for sale are measured by the fair value.

### c. Functional Currency and presentation currency

The items included in the financial statements have been measured by adopting the currency of the economic environment in which the Company operates (functional currency). The financial statements are showed in Brazilian Reais, which is the Company's functional currency.

## d. Estimates use and judgment

The preparation of the financial statements according to the accounting practices adopted in Brazil requires the use of the judgments, estimates, and suppositions by The Administration of Company affecting the accounting policies use and reported values of the assets, liabilities, incomes and expenses. The actual results might differ from the estimates.

The estimates and assumptions are reviewed annually by The Administration of Company. The changes are recognized in the financial year in which such estimates are reviewed and in future years affected.

## 3 - Main Accounting Practices

### a. Financial instruments

The Company's non-derivative financial assets and liability are classified under the following categories:

#### i. Non-Derivative financial assets

Company recognizes the loans and receivables and deposits firstly on the origin date. All other financial assets (including assets designated by fair value through the results) are recognized firstly on the negotiation date when the Company becomes a party in the contractual provisions of the instrument.

The Company classifies the non-derivative financial assets in the following categories: financial assets measured at fair value through the income and receivables.

#### ii. Receivables

Receivables are financial assets with fixed or determined payments, which are not offered in the active market. Such assets are recognized firstly at the fair value added from any attributed cost of the transactions. After the initial recognition, the loans and receivables are measured by the amortized cost using the actual interest method, reduced from the loss due to the reduction on the recoverable amount.

Receivables encompass the cash and cash equivalent, accounts receivables from customers and other receivables.

### iii. Cash and cash equivalents

Include cash, bank sight deposits and temporary short term investments up to 90 days from the date of investment or deemed of immediate liquidity or convertible into known amount of cash, which are subject to an insignificant risk of change in value and are recorded by the cost values added by the income earned up to the balance sheet date and do not exceed its market or performance value.

### iv. Non-derivative financial liabilities

Firstly, Company recognizes the debt instruments issued on the date they are originated. All other financial liabilities are recognized firstly on the negotiation date when Company becomes a party in the contractual provisions of the instrument. Company writes off the financial liability when the contractual obligations are withdrawn, canceled or overdue.

Such financial liabilities are recognized first by fair value deducted by any cost of the related transactions. After the initial recognition, such financial liabilities are measured by the amortized cost using the actual interest method, as applicable, in order to reflect the costs incurred up to the balance sheet date.

The Non-derivative financial liabilities of the Company refer basically to imports payable to holding added by exchange rate variation incurred up to the balance sheet date, suppliers and other accounts payable showed by known values or to be determined, updated by monetary adjustment index and interest, as applicable, to reflect the costs incurred up to the balance sheet date.

### b. Fixed Assets

**Acknowledgement and measurement:** Fixed assets are measured by acquisition historic cost, deducting the accrued depreciation and losses from the reduction to recoverable amount (impairment) as required. The fixed assets costs include the expenses directly attributable to the assets acquisition. Other expenses are capitalized only when there is an

increase in the economic benefits of the fixed assets item. Any other expense, when incurred, is recognized in results as expense. Gains and losses in the fixed assets disposal determined by comparing the resources from disposal and fixed assets accounting value are recognized as net in other incomes in the results.

**Depreciation:** The depreciation is computed by the straight-line method, at rates deemed compatible with the useful life.

### c. Reduction on the assets recoverable amount

#### Non-derivative Financial Assets (including receivables)

The financial assets are evaluated at each submission date if it is not measured by fair value in order to determine any objective evidence of loss in the recoverable value. The assets has the loss in recoverable value if there is objective evidence of loss resulting from one or more events taking place after the assets initial recognition, and such loss event had a negative effect on the future cash flows forecast which should be estimated reliably.

The objective evidence of the financial assets lost value should include the debtor default or delay in payment, the renegotiation of the amount payable to the Company under conditions that The Company should not accept on other transactions, indications the debtor or issuer should be bankrupted or the end of the active market for the securities.

### d. Provisions

A provision is recognized in respect to the past event, if the Company's legal or constructive obligation could be estimated reliably and is likely to be an economic resource required to settle the obligation. The provisions are determined by means of deduction to cash flow expected at a rate before taxes reflecting the evaluations by current market regarding the value of money in time and the specific risks to the liability.

Company supported by legal opinion by its legal advisors and Management represents to have no knowledge of tax, civil and labor proceedings affecting materially its business, in addition to those already reflected in the financial statements on March 31<sup>st</sup>, 2022.

**e. Financial income and financial expenses**

The financial income comprises interest income on investments, discounts obtained and yields from instruments classified as cash equivalents. The interest income is recognized in the results, by means of the effective interest method.

The financial expenses comprise interest expense on contractual expenses, bank charges, losses in fair value of financial assets measured at fair value by means of results and contingent consideration, etc.

**4 - Capital Stock**

The capital, totally paid up, is of R\$ 1,000, divided in 1,000 quotas at the nominal amount of R\$ 1.00 each, distributed to quota holders in the following proportion:

Shareholder	Number of Sharequotas
KPIT Technologies Limited	999
KPIT Technologies Holding, Inc	1
	<b>1,000</b>

**KPIT (Shanghai) Software Technology Co., Ltd.**

Registered Office: 1603-1604, Tower B, Central Towers, 567 Langao Road, Shanghai 200333, PRC.

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	RMB	RMB
Total Income	44,767,760	38,525,073
Net Profit / (Loss) for the year	(775,198)	2,803,285

**Audit**

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. Therefore, the Company appointed ShineWing CPAs as auditors to conduct the audit and the audit report issued by them is attached with the accounts of the Company.

For and on behalf of the Board of Directors,  
**KPIT (Shanghai) Software Technology Co., Ltd.**

Pune  
April 22, 2022

**Kishor Patil**  
Chairman

# AUDITORS' REPORT

## To the Board of Directors of KPIT (Shanghai) Software Technology Co., Ltd.:

### 1. Opinion

We have audited the financial statements of KPIT (Shanghai) Software Technology Co., Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2022, the income statement, the cash flow statement and the statement of changes in owners' equity for the year then ended March 31st, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements of KPIT (Shanghai) Software Technology Co., Ltd. present fairly, in all material respects, the Company's financial position as at 31 March 2022, the Company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

### 2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. 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 for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

### 3. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the company's ability to continue as a going concern,

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible to overseeing the company's financial reporting process.

### 4. 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally 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.

During the course of audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also carry out the following works:

- (1) 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 audit. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall 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.

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

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

ShineWing CPAs  
Shanghai, the People's Republic of China

April 22, 2022

# BALANCE SHEET

AS AT MARCH 31<sup>ST</sup>, 2022

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency:RMB

Item	Line No.	March 31st, 2022	March 31st, 2021	Item	Line No.	March 31st, 2022	March 31st, 2021
<b>Current Assets:</b>	1	—	—	<b>Current Liabilities:</b>	65	—	—
Cash and bank balance	2	12,504,698.09	13,961,472.04	Short-term loans	66	—	—
Deposit Reservation for Balance	3	—	—	Borrowing from the central bank	67	—	—
Lendings to Banks and Other Financial Institutions	4	—	—	Absorb deposit and storage	68	—	—
Financial Assets at fair value through profit or loss	5	—	—	Borrowings from Banks and Other Financial Institutions	69	—	—
Note receivable	6	—	—	Financial Liabilities at fair value through profit or loss	70	—	—
Accounts receivable	7	7,095,607.74	6,117,304.45	Notes payable	71	—	—
Prepayments	8	98,968.22	133,870.12	Accounts payable	72	5,282,549.44	5,206,392.78
Premiums receivable	9	—	—	Advance from customers	73	—	76,031.07
Reinsurance receivable	10	—	—	Financial assets sold under repurchase	74	—	—
Reserve receivable of reinsurance contracts	11	—	—	Fee and commission payable	75	—	—
Interest receivable	12	—	—	Accrued payroll and welfare	76	1,461,506.71	1,198,945.04
Dividends receivable	13	—	—	Including: Accrued payroll	77	1,461,506.71	1,198,945.04
Other receivable	14	4,563,935.26	4,668,343.77	Accrued welfare	78	—	—
Financial assets purchased under resale	15	—	—	Including: employee award and welfare fund	79	—	—
Inventory	16	—	—	Tax payable	80	86,696.22	—
Including: Raw material	17	—	—	Including: Tax payable	81	86,696.22	—
Finished goods	18	—	—	Interest payable	82	—	—
Assets held for sale	19	—	—	Dividends payable	83	—	—
Non-current assets maturing within 1 year	20	—	—	Other payable	84	3,844,577.99	4,177,928.10
Other current assets	21	133,486.67	387,445.30	Reinsurance payable	85	—	—
<b>Total Current Assets</b>	22	<b>24,396,695.98</b>	<b>25,268,435.68</b>	Reserve of insurance contract	86	—	—
<b>Non-current Assets:</b>	23	—	—	Agents sale of security	87	—	—
Loans and advances	24	—	—	Liabilities held for sale	88	—	—
Available-for-sale financial assets	25	—	—	Non-current liabilities maturing within 1 year	89	728,793.61	689,491.67
Held-to-maturity investment	26	—	—	Other current liabilities	90	—	—
Long-term receivable	27	—	—	<b>Total Current Liabilities</b>	91	<b>11,404,123.97</b>	<b>11,348,788.66</b>
Long-term equity investment	28	—	—	<b>Non-current Liabilities</b>	92	—	—
Investment real estate	29	—	—	Long-term loans	93	—	—
Fixed assets - cost	30	798,061.15	618,499.56	Bonds payable	94	—	—
Less: Accumulated depreciation	31	635,016.78	613,462.07	Long-term payable	95	—	—
Fixed assets - net value	32	163,044.37	5,037.49	Grants(special) payable	96	—	—
Less: Provision for impairment of fixed assets	33	—	—	Estimated liabilities	97	—	—
Fixed assets - net book value	34	163,044.37	5,037.49	Deferred tax liability	98	—	—
Construction in process	35	—	—	Other non-current liabilities	99	—	—
Right-of-use asset	36	1,769,654.94	2,482,798.83	Lease liability	100	1,100,635.66	1,807,649.45
Liquidation(Disposal) of fixed assets	37	—	—	<b>Total Non-current Liabilities</b>	101	<b>1,100,635.66</b>	<b>1,807,649.45</b>
Productive biological assets	38	—	—	Total Liabilities	102	<b>12,504,759.63</b>	<b>13,156,438.11</b>
Oil gas assets	39	—	—	Owners' Equity(or shareholders' equity):	103	—	—
Intangible assets	40	—	—	Paid-in capital (or share)	104	14,074,702.40	14,074,702.40
Research and development cost	41	—	—	State capital	105	—	—
Goodwill	42	—	—	Including: state-owned legal person's capital	106	—	—
Long-term prepaid expense	43	—	—	Collective capital	107	—	—
Deferred tax assets	44	—	—	Private capital	108	—	—
Other non-current assets	45	—	—	Including: Personal capital	109	—	—
Including: Specially approved reserving materials	46	—	—	Foreign businessmen's capital	110	14,074,702.40	14,074,702.40
<b>Total Non - current Assets</b>	47	<b>1,932,699.31</b>	<b>2,487,836.32</b>	Less: treasury share	111	—	—
	48	—	—	Net paid-in capital (or share)	112	14,074,702.40	14,074,702.40
	49	—	—	Capital surplus	113	21,916.98	21,916.98
	50	—	—	Less: reasury share	114	—	—
	51	—	—	Other comprehensive income	115	—	—
	52	—	—	Special reserve	116	—	—
	53	—	—	Surplus reserve	117	—	—
	54	—	—	including: Statutory reserve	118	—	—
	55	—	—	Voluntary reserve	119	—	—
	56	—	—	Reserve fund	120	—	—
	57	—	—	Development fund	121	—	—
	58	—	—	Profit for returning investment	122	—	—
	59	—	—	General risk reserve	123	—	—
	60	—	—	Undistributed profits	124	-271,983.72	503,214.51
	61	—	—	Total Equity attributable to the Parent Company	125	13,824,635.66	14,599,833.89
	62	—	—	Minority shareholders' equity	126	—	—
	63	—	—	Total Owner's Equity	127	13,824,635.66	14,599,833.89
<b>Total Assets</b>	64	<b>26,329,395.29</b>	<b>27,756,272.00</b>	<b>Total Liabilities &amp; Owners' Equity</b>	128	<b>26,329,395.29</b>	<b>27,756,272.00</b>

Note:The accompanying notes to accounting statement as an integral part of financial statements

Legal representative: Kishor Patil

Person in charge of accounting function: Sanjay Bapat

Person in charge of accounting department: Merry Li

# INCOME STATEMENT

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency:RMB

Items	Line No.	Year ended March 31 <sup>st</sup> , 2022	Year ended March 31 <sup>st</sup> , 2021	Items	Line No.	Year ended March 31 <sup>st</sup> , 2022	Year ended March 31 <sup>st</sup> , 2021
<b>1. Gross Operating Income</b>	1	44,767,759.74	38,525,073.35	Others	29	-	-
Operating income	2	44,767,759.74	38,525,073.35	Add: gain on the changes in fair value("-" means "Loss")	30	-	-
Including: main operations	3	44,767,759.74	38,525,073.35	Investment income("-" means "Loss")	31	-	-
other operations	4	0.00	0.00	Including: Income from investments in associated enterprises and joint ventures	32	-	-
Interest income	5	-	-	Gain from disposal of assets("-" means "Loss")	33	-	-
Earned premiums	6	-	-	Including: gain or loss from diposal of non-current assets in debt restructuring	34	-	-
Fees and commision income	7	-	-	gain or loss from the exchange of non-monetary assets	35	-	-
<b>2. Gross Operating cost</b>	8	46,400,263.73	36,608,155.87	Other income	36	722,319.40	971,162.06
Operating cost	9	25,836,445.77	22,325,256.42	Including: Government grants	37	550,000.00	771,000.00
Including: main operations	10	25,836,445.77	22,325,256.42	<b>3. Operating profit("-" means "Loss")</b>	38	-910,184.59	2,888,079.54
other operations	11	-	-	Add: Non-operating income	39	12,609.29	37,582.65
Interest expense	12	-	-	Including: Government grants	40	-	-
Fees and commision expense	13	-	-	Profits from debt restructuring	41	-	-
Surrender payment	14	-	-	Less: Non-operating expenses	42	-	-
Net compensate	15	-	-	Including: Loss from damaged or scarrped non-current assets	43	-	-
Net extraction of the insurance contract reserve	16	-	-	Losses from debt restructuring	44	-	-
Policy dividend payment	17	-	-	<b>4. Total profit("-" means "Loss")</b>	45	-897,575.30	2,925,662.19
Reinsurance costs	18	-	-	Less: income tax	46	-122,377.07	122,377.07
Business tax and surcharge	19	113,822.80	63,344.94	<b>5. Net Profit("-" means "Loss")</b>	47	-775,198.23	2803,285.12
Selling and distribution expenses	20	-	-	Net profit from going concern("-" means "Loss")	48	-775,198.23	2803,285.12
General and administrative expenses	21	17,431,670.33	14,089,600.98	Net profit from discontinued operation("-" means "Loss")	49	-	-
Including: Entertainment expenses	22	140,677.85	50,310.50	<b>6.Other comprehensive income</b>	50	-	-
Research and development expense	23	-	-	<b>7.Total comprehensive income</b>	51	-775,198.23	2,803,285.12
Finance expenses	24	86,401.25	129,953.53	<b>Total comprehensive income attributable to the Parent Company</b>	52	-775,198.23	2,803,285.12
Including: Interest expenses	25	104,985.01	30,979.96	<b>Total comprehensive income attributable to the minority shareholder</b>	53	-	-
Interest income	26	37,894.68	31,706.80	<b>8.Earnings per share:</b>	54	-	-
Net foreign exchange loss("-" means "gain")	27	14,638.36	119,932.51	Basic earnings per share	55	-	-
Assets impairment losses	28	2,931,923.58	-	Diluted earnings per share	56	-	-

Note:The accompanying notes to accounting statement as an integral part of financial statements

Legal representative: Kishor Patil

Person in charge of accounting function: Sanjay Bapat

Person in charge of accounting department: Merry Li

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency:RMB

Items	Line No.	Year ended March 31 <sup>st</sup> , 2022	Year ended March 31 <sup>st</sup> , 2021	Items	Line No.	Year ended March 31 <sup>st</sup> , 2022	Year ended March 31 <sup>st</sup> , 2021
<b>1. Cash Flows from Operating Activities:</b>	1	—	—	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30	-	-
Cash received from sales of goods or rendering of services	2	43,516,657.77	53,614,533.88	Net Cash received from disposal of subsidiary or other operating business units	31	-	-
Net increase of customer deposits and storage	3	-	-	Cash received relating to other investing activities	32	-	-
Net increase of borrowing from central bank	4	-	-	Sub-total of cash inflows	33	-	-
Net increase of borrowing from other financial institutions	5	-	-	Cash paid to acquire fixed assets, intangible assets and other long-term assets	34	179,561.59	-
Cash received from original insurance contract premiums	6	-	-	Cash paid to acquire investments	35	-	-
Net cash received from reinsurance	7	-	-	Net increase of mortgage Loan	36	-	-
Net increase of insurance deposit and investment	8	-	-	Net cash received from subsidiary and other operating business units	37	-	-
Net increase of disposal trading financial assets	9	-	-	Cash paid relating to other investing activities	38	-	-
Cash received from interest expense, fees and commission	10	-	-	<b>Sub-total of cash outflows</b>	39	179,561.59	-
Net increase in borrowings from banks and other financial institutions	11	-	-	Net Cash Flow from Investing Activities	40	-179,561.59	-
Net cash received from repurchase	12	-	-	<b>3.Cash Flow from Financing Activities</b>	41	—	—
Refunds of taxes and levies	13	-	-	Cash received from capital contributions	42	-	-
Cash received relating to other operating activities	14	760,214.08	1040,451.51	Including: subsidiary received cash from minority interest's investments	43	-	-
<b>Sub-total of cash inflows</b>	15	<b>44,276,871.85</b>	<b>54,654,985.39</b>	Cash received from borrowings	44	-	-
Cash paid for goods and services	16	27,548,809.92	31,406,653.77	Cash received from bonds issued	45	-	-
Net increase of loans and advance to customers	17	-	-	Cash received relating to other financing activities	46	-	-
Net increase in due from central bank and other financial institutions	18	-	-	Sub-total of cash inflows	47	-	-
Cash payment for original insurance contract	19	-	-	cash repayments of amounts borrowed	48	-	-
Cash payment for interest expense, fees and commission	20	-	-	cash payments for interest expenses and distribution of dividends or profits	49	-	-
Cash payment for policy dividend	21	-	-	Including:subsidiary paid dividends and profit to minority interests	50	-	-
Cash paid to and on behalf of employees	22	14,518,589.66	12,192,273.16	Cash payments relating to other financing activities	51	793,223.52	198,305.88
Payments of taxes and levies	23	597,426.04	522,510.55	<b>Sub-total of cash outflows</b>	52	<b>793,223.52</b>	<b>198,305.88</b>
Cash paid relating to other operating activities	24	2,090,344.06	2,026,359.79	Net Cash Flow from Financing Activities	53	-793,223.52	-198,305.88
<b>Sub-total of cash outflows</b>	25	<b>44,755,169.68</b>	<b>46,147,797.27</b>	<b>4. Effect of Foreign exchange rate changes on cash and cash equivalents</b>	54	-5,691.01	-119,932.51
Net Cash Flow from Operating Activities	26	-478,297.83	8,507,188.12	<b>5. Net Increase in Cash and Cash Equivalents</b>	55	-1,456,773.95	8,188,949.73
<b>2. Cash Flow from Investing Activities:</b>	27	—	—	Add: opening balance of cash and cash equivalents	56	13,961,472.04	5,772,522.31
Cash received from disposal of investments	28	-	-	6.Ending balance of cash and cash equivalents	57	12,504,698.09	13,961,472.04
Cash received from returns on investments	29	-	-				

Note:The accompanying notes to accounting statement as an integral part of financial statements

Legal representative: Kishor Patil

Person in charge of accounting function: Sanjay Bapat

Person in charge of accounting department: Merry Li

# STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency:RMB

Item	Line No.	Owner's Equity Attributable to the Parent Company								As at March 31 <sup>st</sup> , 2022		
		Paid-in Capital (or Stock)	Capital Surplus	Less: Treasury Share	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Other	Subtotal	Minority share-holders' equity	Total Owner's Equity
Column No.	0	1	2	3	4	5	6	7	8	9	10	11
<b>1. Ending balance of last year</b>	1	14,074,702.40	21,916.98	-	-	-	-	503,214.51	-	14,599,833.89	-	14,599,833.89
Add: Changes in Accounting Policies	2	-	-	-	-	-	-	-	-	-	-	-
Correction of error from previous period	3	-	-	-	-	-	-	-	-	-	-	-
<b>2. Opening balance of this year</b>	4	14,074,702.40	21,916.98	-	-	-	-	503,214.51	-	14,599,833.89	-	14,599,833.89
<b>3. Increase or decrease of Current Period( for decrease filled in "-")</b>	5	-	-	-	-	-	-	-775,198.23	-	-775,198.23	-	-775,198.23
(1) Subtotal of comprehensive income	6	-	-	-	-	-	-	-775,198.23	-	-775,198.23	-	-775,198.23
(2) Capital invested or reduced by the owners	7	-	-	-	-	-	-	-	-	-	-	-
1. Capital invested by the owner	8	-	-	-	-	-	-	-	-	-	-	-
2. Payment for shares attributed into owner's equity	9	-	-	-	-	-	-	-	-	-	-	-
3. Others	10	-	-	-	-	-	-	-	-	-	-	-
(3) Extraction and use of special reserves	11	-	-	-	-	-	-	-	-	-	-	-
1. Extraction of special reserves	12	-	-	-	-	-	-	-	-	-	-	-
2. Use of special reserves	13	-	-	-	-	-	-	-	-	-	-	-
(4) Profit Distribution	14	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal surplus reserve	15	-	-	-	-	-	-	-	-	-	-	-
Including: Statutory fund	16	-	-	-	-	-	-	-	-	-	-	-
Voluntary reserve	17	-	-	-	-	-	-	-	-	-	-	-
Reserve fund	18	-	-	-	-	-	-	-	-	-	-	-
Development fund	19	-	-	-	-	-	-	-	-	-	-	-
Profit for returning investment	20	-	-	-	-	-	-	-	-	-	-	-
2. Extraction of general risk reserve	21	-	-	-	-	-	-	-	-	-	-	-
3. Profits distributed to owners (or shareholders)	22	-	-	-	-	-	-	-	-	-	-	-
4. Others	23	-	-	-	-	-	-	-	-	-	-	-
(5) Internal transfer of owner's equity	24	-	-	-	-	-	-	-	-	-	-	-
1. Capital surplus transfer to share capital	25	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transfer to share capital	26	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves covering losses	27	-	-	-	-	-	-	-	-	-	-	-
4. Others	28	-	-	-	-	-	-	-	-	-	-	-
<b>4. Closing balance of this year</b>	29	14,074,702.40	21,916.98	-	-	-	-	-271,983.72	-	13,824,635.66	-	13,824,635.66

Note:The accompanying notes to accounting statement as an integral part of financial statements

Legal representative: Kishor Patil

Person in charge of accounting function: Sanjay Bapat

Person in charge of accounting department: Merry Li

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 1. COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES

KPIT (Shanghai) Software Technology Co., Ltd. (the “Company”) is a wholly foreign owned enterprise incorporated in Shanghai, People’s Republic of China (“PRC”) on January 5<sup>th</sup>, 2011 by KPIT Cummins Infosystems Limited, which changed its name to KPIT Technologies Limited on January 15<sup>th</sup>, 2013. The Company has a certificate of approval for establishment of enterprises with foreign investment in the People’s Republic of China, approval number [2011]0035, issued by the Shanghai Municipal People’s Government and an updated business licence with the union social credit code of 91310000568001786C, approved by Shanghai Administration Bureau for Industry and Commerce on September 8<sup>th</sup>, 2016. The legal representative of the Company is Kishor Patil. The legal address of the Company is Room 2258, No. 3 of Xuanhua Road, Chang Ning District, Shanghai, PRC. The approved operating period is 30 years to 11<sup>th</sup> January, 2041.

On December 1<sup>st</sup>, 2012, the Company approved a resolution of the board of directors on increasing the registered capital from RMB 5,080,000.00 to RMB 9,480,000.00. As at January 29<sup>th</sup>, 2013, the Company has received a capital injection of RMB 3,142,487.15 from KPIT Cummins Infosystems Limited.

On December 26<sup>th</sup>, 2013, the Company approved a resolution of the board of directors on increasing the registered capital from RMB 9,480,000.00 to RMB 21,786,400.00. On July 22<sup>nd</sup>, 2014 and November 19<sup>th</sup>, 2014, the Company has received capital injections of RMB 1,257,512.85 and RMB 1,534,863.60 respectively from the investor KPIT Technologies Limited. As at December 31<sup>st</sup>, 2014, the paid-in capital of the Company was RMB 11,014,863.60. On May 27<sup>th</sup>, 2015, the Company has received capital injections of USD 499,990.00 (equivalent to RMB 3,059,838.80) from the investor KPIT Technologies Limited. As at December 31<sup>st</sup>, 2015, the paid-in capital of the Company was RMB 14,074,702.41.

On June 19<sup>th</sup>, 2017, the Company approved a resolution of the board of directors on revise the business scope. The Company has a renewal business licence with the union social credit code of 91310000568001786C, approved by Shanghai Administration Bureau for Industry and Commerce on July 28<sup>th</sup>, 2017.

The Company’s approved business scope includes: research & development and design of computer software, and transfer of research achievement; development of network technique and technical support; designing, testing, and maintaining of system integration; providing relevant technical consulting and service. Computer hardware and software (except for the electronic publications) wholesale, commission agency (excluding auction) and provide related services, self-owned equipment leasing (Do not involve the state-owned trading managed goods. For the quota and license managed goods, apply upon the relevant regulation of the state). The Company’s operating period is 30 years.

## 2. BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis. The actual transactions and events are recorded in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (“the MOF”) and relevant principles, and based on the accounting policies and estimates in notes 4 “Significant accounting policies and accounting estimates”.

## 3. ANNOUNCEMENT

The Company’s financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and were presented truly and integrally, in all material respects, the financial position of the Company as at March 31<sup>st</sup>, 2022, and the results of operations and cash flows of the Company for the year ended March 31<sup>st</sup>, 2022.

## 4. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

### 1. Accounting period

The Company adopts the period from 1 April to 31 March as its accounting year.

### 2. Recording currency

The recording currency of the Company is in Renminbi (RMB).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

### 3. Basis of accounting and measurement bases

The Company applies the accrual basis of accounting, and uses the historical cost as the principle of measurement unless otherwise specified.

### 4. Cash and cash equivalents

For the purposes of preparing the cash flow statement, cash refers to all cash in hands and call deposits. Cash equivalents refer to short-term and highly-liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 5. Foreign Currency Transactions and Conversion Method

The Company's foreign currency transactions are recorded in RMB, based on the spot exchange rate of that day. All foreign currency monetary items shall be translated to RMB at the spot exchange rate at the balance sheet date. Aside from the translation differences arising from specific foreign currency loans to meet the conditions of capitalization that are procurement-related or production-related, all translation differences shall be recorded in current profit and loss.

## 6. Financial assets

Financial assets are classified into four categories according to the purposes of investments and their economic substance: "Financial assets at fair value through profit or loss", "Held-to-maturity investments", "Loan and receivables" and "Available-for-sale financial assets".

- 1) Financial assets at fair value through profit or loss are those financial assets that have been acquired principally for the purpose of selling in the short terms. They are presented in the balance sheets as "Financial assets held for trading".
- 2) Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable payments that management has positive intention and ability to hold to maturity.
- 3) Loan and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- 4) Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified as financial assets of any other class at initial recognition.

Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

A financial asset is derecognized when any one of the following conditions is satisfied: i) the rights to receive cash flows from the asset expire, ii) the financial asset has been transferred and the company transfers substantially all risks and rewards relating to the financial assets to the transferee.

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently measured at fair value. Loan and receivables and held-to-maturity investments are measured at amortized cost using the effective interest method.

Changes in the fair value of financial assets at fair value through profit or loss are recorded as 'Gain or loss from changes in fair value'. Interest or cash dividends received during the period in which such financial assets are held, are recognized as 'Investment income'. On disposal, the difference between fair value of disposal and initial recorded amount are recognized as 'Gain or loss on Investment' and adjust the gain or loss from changes in fair value accordingly.

Changes in fair value of available-for-sale financial assets are directly recorded in shareholders' equity. Interests for the period in which the assets are held is calculated using the effective interest method is charge to profit or loss for the period as 'Investment income'. Cash dividends declared by the investee company

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

relating to available-for-sale equity instruments are charged to profit or loss for the period as ‘Investment income’. Until such financial assets is derecognized, the differences between the consideration received and the carrying amount of assets after deducting the accumulated fair value adjustments previously recorded in equity are charged to profit or loss for the period as ‘Investment income’.

When there is a significant or prolonged decline in the fair value of available-for-sale financial assets, the accumulated losses in fair value that was previously directly recorded in shareholder’s equity are transferred out and recognized as impairment losses. For the available-for-sale investment on debt instruments which impairment losses have been recognized, if in subsequent period, its fair value increases and the increase is objectively related to an event occurring after the impairment loss was recognized in profit or loss, the previous recognized impairment loss is reversed into profit or loss for the period. For an investment in an equity instrument classified as available-for-sale equity on which impairment loss has been recognized, the increase in its fair value in a subsequent period is directly charged into shareholders’ equity. For those equity instruments which have no quotation in the active market and of which the fair value cannot be measured reliably, their losses on impairment cannot be reversed.

### 7. Financial liabilities

Financial liabilities of the company are classified as “financial liabilities at fair value through profit or loss” and “other financial liabilities” on initial recognition.

A financial liability is derecognised when the underlying present obligations (or part of it) are discharged. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss for the period.

### 8. Provision for bad debts of receivable

Provision for bad debt of receivable that may occur are accounted for based on the allowance method, of which the aging analysis and specific identification methods are utilized to calculate the bad debt provision, which will be included in the profit and loss statement. For receivables that are evidently uncollectible, in accordance with the Company’s guideline procedures, shall be treated as bad debts, and provision shall be written off and treated as losses.

### 9. Fixed assets

The Company’s fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, which have useful lives of more than one year and have relatively high unit price.

The Company’s fixed assets include electronic and office equipment, and are recorded at actual cost upon acquisition.

Fixed assets are stated in the balance sheet at acquisition cost less accumulated depreciation and impairment. Impairment is calculated based on the difference between the expected recoverable amount and the book value, only if the recoverable amount is lower than the book value.

Fixed assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful life and the estimated residual value of fixed assets are as follows:

	Item	Estimated useful life	Estimated residual value	Annual depreciation rate
1	Electronic & Office equipment	4 years	0%	25%

At the end of each year, the estimated useful life, estimated residual value, and depreciation method of fixed assets are reviewed. If there are any changes to the above, it shall be treated changes of accounting estimates.

When fixed assets are disposed, or if they are no longer of any future economic benefits, they shall no longer be recognized as fixed assets. The amount received from fixed assets being sold, transferred, scrapped or destroyed, minus the book value, minus related tax, shall be recorded in profit and loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 10. Right-of-use assets

The right-of-use assets refers to the right that the Company, as the lessee, can use the leased assets during the lease term.

### (1) Initial measurement

On the commencement date of the lease term, the Company shall make initial measurement of the right-of-use assets at cost. The cost includes the following four items: (1) The initial measurement amount of the lease liability; (2) The amount of lease payment paid on or before the beginning of the lease term, if there is lease incentive, will be deducted from the amount of lease incentive already enjoyed; (3) The initial direct cost is the incremental cost of the lease; (4) The costs expected to be incurred for disassembling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state stipulated in the lease terms, except those incurred for the production of inventory.

### (2) Subsequent measurement

After the beginning of the lease term, the Company adopts the cost model to measure the assets of the right-of-use, that is, to measure the assets of the right-of-use at cost minus accumulated depreciation and accumulated impairment loss. If the Company re-measures the lease liabilities in accordance with relevant provisions of the lease standards, the book value of the assets of the right-of-use shall be adjusted accordingly.

#### Depreciation of right-of-use assets

The Company shall depreciate the right-of-use assets from the beginning date of the lease term. Right-of-use assets are usually depreciated from the month in which the lease term begins. The amount of depreciation shall be included in the cost or current profit or loss of the relevant assets according to the use of the right-of-use assets.

When determining the method of depreciation of the right-of-use assets, the Company shall make a decision based on the expected way of consumption of economic benefits related to the right-of-use assets, and shall calculate and depreciate the right-of-use assets using the straight-line method.

The Company shall follow the following principles when determining the depreciation life of the use-right asset: If the ownership of the leased asset can be reasonably determined at the end of the lease term, depreciation shall be calculated and deducted during the remaining service life of the leased asset; Where it is not reasonably certain that the ownership of the leased asset can be acquired at the end of the lease term, depreciation shall be calculated and withdrawn during the period during which the lease term and the remaining service life of the leased asset are shorter.

#### Impairment of use-right assets

In case of impairment of the right-of-use assets, the Company shall carry out subsequent depreciation according to the book value of the right-of-use assets after deducting impairment losses.

## 11. Intangible assets

Intangible assets of the Company include software. Intangible assets are measured at actual cost on acquisition. The cost of intangible assets purchased from outsiders includes purchase prices and other relevant expenditure. The cost of intangible assets injected by investors to the Group is measured at the consideration as specified in the investment contracts or agreements. In the case where the consideration of the contracts or agreements is not a fair value, the assets are measured at its fair value.

The estimated useful life and amortisation method of intangible assets with finite useful life are reviewed at the end of each financial year. Any changes are accounted for as a change in an accounting estimate. The estimated useful life of intangible assets with indefinite useful life is reviewed in each accounting period. Where there are objective evidences that the useful life of the intangible assets become definite, then the useful life of the assets is estimated and amortisation is provided over its estimated useful life.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 12. Long-term prepaid expense

Long-term prepaid expense of the Company are expenditures (office Decoration and fire protection) that have been incurred but shall be amortised over the current period and subsequent periods of more than one year. The expenditures are amortised evenly over the estimated beneficial period. If the long-term prepayments are no longer beneficial to the subsequent accounting periods, the unamortised balance is then transferred to profit or loss for the period.

## 13. Payroll and welfare

Payroll and welfare refers to various forms of remuneration or compensation (except share-based payment) given by the company to obtain services provided by employees or to terminate labour relations. Payroll and welfare includes short-term payroll, after-service benefits, dismissal benefits and other long-term employee benefits. The company provides benefits for employee spouse, children, dependents, deceased employee survivors and other beneficiaries, which are also recognised as payroll and welfare.

- (1) Short-term payroll refers to the salary of the staffs that need to be fully paid within twelve months after the end of the annual report of the services provided by the staffs, except the compensation given by the dissolution of labour relationships. The short-term payroll includes employees' salaries, bonus, allowances and subsidies, employees' welfare, medical insurance, employment injury insurance, maternity insurance and other social insurance, housing fund and other short-term payroll.

Short-term payroll is recognised as liabilities during the accounting period when the employee renders services to the company. Short-term payroll is allocated to related cost of assets and expense based on different beneficiaries. The non-monetary welfare of short-term payroll is measured according to the fair value.

- (2) After-service benefits refer to the various forms of remuneration and welfare provided by the company for the service provided by the employees after retirement or the dissolution of labor relations with the company, with the exception of short-term remuneration and dismissal benefits.

The company's defined contribution plan refers to the payment of basic pension insurance and unemployment insurance for the staffs according to the relevant regulations of the local government. During the accounting period for the employees providing service to the company, the amount should be calculated according to the local regulations and the proportion of the payment, which are recognized as liabilities, and are included in the profit and loss of the current period or the cost of the related assets.

- (3) The dismissal benefits refers to the compensation that the company is relieved of labor relations with the employees before the labor contract is due, or to encourage the employees to voluntarily accept the reduction. Although the employees do not dissolve the labor contract with the company but no longer provide service to the company in the future and can not bring economic benefits to the company, the company promises to provide economic compensation in essence with the nature of dismissal. If the "early retirement" situation occurs, it should be dismissal before the positive retirement date. After the official retirement date, it will be disposed of according to the post retirement benefits.

## 14. Lease liability

### (1) Initial measurement

The company makes an initial measurement of the lease liability based on the present value of the outstanding lease payments on the commencement date of the lease term.

#### 1) Lease payment

Lease payment refers to the amount of money paid by the Company to the lessor in relation to the right to use the leased assets during the lease term, including: (1) Fixed payment and substantial fixed payment, if there is lease incentive, the amount related to lease incentive shall be deducted; (2) Variable lease payments depending on the index or ratio, which are determined at the initial measurement

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

based on the index or ratio of the commencement date of the lease term; (3) The exercise price of the purchase option if the Company reasonably determines that it will exercise the purchase option; (4) The lease term reflects the amount payable to exercise the termination option when the Company will exercise the option to terminate the lease; (5) The amount expected to be paid based on the residual value of the guarantee provided by the Company.

## 2) Discount rate

When calculating the present value of the lease payment, the company adopts the lease embedded interest rate as the discount rate, which is the interest rate that makes the sum of the present value of the lessor's lease receipts and the present value of the unsecured residual value equal to the sum of the fair value of the leased asset and the lessor's initial direct expenses.

## (2) Subsequent measurement

After the beginning of the lease term, the company shall make subsequent measurement of the lease liabilities in accordance with the following principles: (1) Increase the carrying amount of the lease liabilities when recognizing the interest of the lease liabilities; (2) When paying the lease payment, reduce the book amount of the lease debt; (3) When the lease payment amount changes due to revaluation or Lease modification, the book value of the lease liability shall be re-measured.

The company calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate, and records it into the profit and loss of the current period, except those that should be capitalized. Cyclical interest rate refers to the discount rate adopted by the Company in initial measurement of lease liabilities, or the revised discount rate adopted by the Company in re-measurement of lease liabilities in accordance with the revised discount rate due to changes in lease payments or Lease modifications.

## (3) Re-measurement

After the beginning of the lease term, if any of the following circumstances occur, the company shall re-measure the lease liabilities according to the present value of the changed lease payments and adjust the book value of the use-right assets accordingly. If the book value of the use-right assets has been reduced to zero, but the leasing liabilities still need to be further reduced, the company will record the remaining amount into the current profit and loss. (1) Substantial fixed payment amount changes (in this case, the original discount rate is used to discount); (2) The expected amount payable of the residual value changes (in this case, the original discount rate is used to discount); (3) There is a change in the index or ratio used to determine the lease payment (in which case, the revised discount rate is used to discount); (4) The evaluation results of the call option change (in this case, the revised discount rate is used to discount); (5) The evaluation result or actual exercise of the renewal option or termination option changes (in this case, the revised discount rate is used to discount).

## 15. Revenue recognition

The Company's operating income is mainly service income. The revenue recognition principle is as follows:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognized that are recoverable.

### 16. Government grants

Government grants refer to the monetary assets or non monetary assets obtained by the Company from the government (but do not include the capital invested by the government as the owner). It is mainly divided into two types, which are assets-related government grants and income-related government grants.

Assets-related government grants are reducing the book value of related assets or recognised as deferred income. As for assets-related government grants are recognised as deferred income, evenly amortised to profit or loss over the useful life of the related asset according to a rational and systematic method. Government grants are recognised as other income which are related to the daily activities of the company, otherwise, recognized as non operating income.

Assets, which are sold, transferred, scrapped or damaged before the end of useful life, should be transferred the undistributed deferred income balance into the profit or loss of the asset disposal for the period.

Government grants measured at nominal amount should be directly recognised as the profit or loss for the period.

Income-related government grants are processed with the following situations respectively: Income-related government grant that is a compensation for related expenses or losses to be incurred in subsequent periods are recognised as deferred income and also be recognised as profit or loss for the current period or credited to the relevant period when the related expense are incurred; Government grants relating to compensation for related expenses or losses already incurred are charged directly to the profit or loss for the period or credited to the relevant period when the related expense are incurred. According to the business substance, government grants which are related to the daily activities of the company should be recognised as other income or credited to the relevant period when the related expenses are incurred. Otherwise, government grants are recognized as non operating income.

### 17. Leases

#### (1) Identification of lease

Lease refers to a contract whereby the lessor assigns the right to use an asset to the lessee for consideration within a certain period of time. On the commencement date of the contract, the company evaluates whether the contract is a lease or includes a lease. A contract is a lease or includes a lease if a party cedes the right to control the use of one or more identified assets for a specified period in exchange for consideration. In order to determine whether the contract cedes the right to control the use of the identified assets for a certain period, the Company evaluates whether the client in the Contract is entitled to receive almost all the economic benefits arising from the use of the identified assets during the use period and to dominate the use of the identified assets during the use period.

If the contract contains multiple separate leases at the same time, the company will divide the contract and conduct accounting treatment for each separate lease. If the contract contains both the leased part and the non-leased part, the company will separate the leased part and the non-leased part for accounting treatment.

#### (2) The Company acts as the lessee

On the commencement date of the lease term, the company shall confirm the right to use assets and lease liabilities. The assets of the right to use shall be initially measured at cost, including the initial measurement amount of the lease liability, the lease payment made on or before the commencement date of the lease term (less the amount related to the lease incentive already enjoyed), The initial direct expenses incurred and the costs expected to be incurred for the demolition and removal of the leased asset, the restoration of the site where the leased asset is located, or the restoration of the leased asset to the condition agreed upon in the lease terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

In the company as the lessee of the lease to confirm the right to use assets and lease liabilities.

## 1) Lease modification

Lease modification refers to the modification of lease scope, lease consideration and lease term beyond the terms of the original contract, including increasing or terminating the right to use one or more leased assets, extending or shortening the lease term stipulated in the contract, etc. The effective date of lease modification refers to the date on which both parties reach agreement on lease modification.

If the Lease modifications and the following conditions are met at the same time, the company will treat the Lease modification as a separate lease for accounting treatment: (1) The Lease modification expands the lease scope by adding the right to use one or more leased assets; (2) The increased consideration is equivalent to the adjusted amount of the separate price of the extended part of the lease according to the conditions of the contract.

If the Lease modification is not accounted as a separate lease, on the effective date of the Lease modification, the company shall apportion the consideration of the contract after the change in accordance with relevant provisions of the lease standards and re-determine the lease term after the change; And the revised discount rate is used to discount the changed lease payment to re-measure the lease liability. When calculating the present value of the lease payment after the change, the Company adopts the lease embedded interest rate of the remaining lease period as the discount rate; If the inherent interest rate of the remaining lease term cannot be determined, the Company adopts the incremental loan interest rate of the lessee on the effective date of the Lease modification as the discount rate. For the impact of the above adjustment of lease liabilities, the Company will classify the following situations for accounting treatment: (1) If the Lease modification leads to the reduction of the lease scope or the shortening of the lease term, the lessee shall reduce the carrying value of the right to use assets, and record the related gains or losses of partially or completely terminating the lease into the current profit and loss. (2) If other Lease modifications result in the re-measurement of lease liabilities, the lessee shall adjust the book value of the right assets accordingly.

## 2) Short-term lease and lease of low-value assets

The company chooses not to recognize the use-right assets and lease liabilities for short-term leases with a lease term of less than 12 months and low-value asset leases with a single lease asset that has a lower value when it is a brand-new asset. The Company will record the lease payment of short-term lease and low-value asset lease into the cost of relevant assets or current profit and loss in each period of the lease term according to the straight-line method or other systematic and reasonable methods.

## (3) The Company is the lessor

On the basis that the contract evaluated in (1) is a lease or includes a lease, the Company, as the lessor, divides the lease into a finance lease and an operating lease on the commencement date of the lease.

If a lease substantially transfers almost all of the risks and rewards associated with the ownership of the leased asset, the lessor classifies the lease as a finance lease and leases other than a finance lease are classified as operating leases.

The company generally classifies a lease as a finance lease if one or more of the following conditions exist: (1) At the end of the lease term, the ownership of the leased asset is transferred to the lessee; (2) The lessee has an option to purchase the leased asset, and the purchase price set is sufficiently low compared to the fair value of the leased asset at the time the option is expected to be exercised, so that it is reasonably certain that the lessee will exercise the option on the lease commencement date; (3) Although the ownership of the asset is not transferred, the lease term accounts for most of the service life of the leased asset (not less than 75% of the service life of the leased asset); (4) On the lease commencement date, the present value of the lease receipts is almost equal to the fair value of the leased asset (no less than 90% of the fair value of the leased asset). ; (5) The leased assets are special in nature, and only

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

the lessee can use them if there is no major transformation. The Company may also classify a lease as a finance lease if it has one or more of the following signs: (1) If the lessee cancels the lease, the loss caused to the lessor by the cancellation of the lease shall be borne by the lessee; (2) The gain or loss caused by the fair value fluctuation of the residual value of the asset belongs to the lessee; (3) The lessee has the ability to continue the lease for the next period at a rent well below the market level.

### 1) Accounting treatment of operating lease

#### Treatment of rental income

During each period of the lease term, the company adopts the straight-line method to recognize the rental income from the operating lease as rental income.

#### Incentives offered

If the rent-free period is provided, the company will distribute the total rent in the whole lease period excluding the rent-free period according to the straight-line method, and the rental income shall be recognized during the rent-free period. If the company bears some expenses of the lessee, such expenses shall be deducted from the total rental income and distributed according to the balance of the deducted rental income during the lease term.

#### Initial direct cost

The initial direct expenses incurred by the company in connection with the operating lease shall be capitalized to the cost of the asset subject to the lease and shall be recorded into the current profit and loss in stages during the lease term on the same recognition basis as the rental income.

#### Depreciation

For the fixed assets in the operating leased assets, the company adopts the depreciation policy of similar assets to calculate and deduct depreciation. Other operating lease assets shall be amortized in a systematic and reasonable way.

#### Variable lease payments

The variable lease payments obtained by the company related to operating leases, which are not included in the lease receipts, shall be included in the current profit and loss when actually incurred.

#### Alteration of operating lease

If an operating lease is changed, the Company will treat it as a new lease for accounting treatment from the effective date of the change, and the amount of lease receipts received in advance or receivable related to the lease before the change will be regarded as the amount of new lease receipts.

The company as a finance lease the lessee, the lease beginning date, the fair value of the leased asset on the lease beginning date and the present value of the minimum lease payments of the two lower, as the entry value for fixed assets, long-term accounts payable of the minimum lease payments as costs, will be the difference between the two records for the unrecognized financing charges.

The rent of the company as an operating lease lessee shall be recorded into the cost of relevant assets or current profits and losses in each period of the lease term by straight-line method.

### 18. Related party

If the Company has direct or indirect control of another entity, or has significant influence over another entity; or another entity has direct or indirect control of the Company, or has significant influence over the Company; or the Company and another entity or entities are all controlled by the same party, then the Company and the other entities are all considered as related parties. A related party can be a person or an entity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 19. Income taxes

The accounting treatment on income tax utilizes the balance sheet liability method.

The income tax comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Apart from the transactions and related matters of current tax and deferred tax that recognized directly in equity, the rest of current tax expense (current tax income) and deferred tax expense (deferred tax income) should be recorded in current profit and loss.

Current tax is the a amount of the income taxes payable (recoverable), in accordance with the taxation requirement, in respect of the taxable profit (tax loss) for a period; deferred tax assets are the amounts of income taxes payable (recoverable) in future period in respect of taxable temporary differences.

## 5. TAXATION

The tax categories and applicable tax rates to the Company are as follows:

### 1. Enterprise income tax

The Company's applicable enterprise income tax rate is 25%.

### 2. Value added tax

The Company's products sales income and services rendered income are subjected to the value added tax (VAT). The applicable tax rates for domestic sales and rendering of services are 13% and 6% respectively. Input VAT on purchases of raw materials can be deducted from output VAT. VAT payable is the net difference between output and deductible input VAT.

### 3. Surcharges

The surcharge is inclusive of city construction tax, education surcharge and local education surcharge, which the taxes are levied at 7%, 3%, 2% and 1% respectively, of the VAT.

### 4. Tax concessions and approvals

According to the Announcement of the State Administration of Taxation on Issuing the Measures for the Exemption of Value-Added Tax on Cross-Border Taxable Acts during the Replacement of Business Tax with Value-Added Tax (for Trial Implementation) (2016 No.29), the Company can apply for exemption of VAT of their revenue on rendering of transborder services.

## 6. SIGNIFICANT ITEMS IN FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

### 1. Cash and Cash at banks

Item	March 31 <sup>st</sup> , 2022			March 31 <sup>st</sup> , 2021		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
Bank	-	-	-	-	-	-
RMB	12,436,224.31	1.0000	12,436,224.31	13,878,191.52	1.0000	13,878,191.52
USD	10,786.33	6.3482	68,473.78	12,673.37	6.5713	83,280.52
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,504,698.09</b>	<b>-</b>	<b>-</b>	<b>13,961,472.04</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

### 2. Accounts receivable

(1) Aging analysis

Item	March 31 <sup>st</sup> , 2022			March 31 <sup>st</sup> , 2021		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year	9,984,180.05	99.00	2,888,572.31	6,055,947.52	97.93	-
Over 1 year	100,515.84	1.00	100,515.84	128,239.56	2.07	66,882.63
<b>Total</b>	<b>10,084,695.89</b>	<b>100.00</b>	<b>2,989,088.15</b>	<b>6,184,187.08</b>	<b>100.00</b>	<b>66,882.63</b>

(2) The policy of bad debt provision can be referred to this note 4.8.

(3) The balance of accounts receivable due from related parties as of March 31<sup>st</sup>, 2022 was RMB 128,317.17, which is 1.27% of the total ending balance.

### 4. Prepayments

(1) Aging analysis

Item	March 31 <sup>st</sup> , 2022		March 31 <sup>st</sup> , 2021	
	Amount	%	Amount	%
Within 1 year	98,968.22	100.00	133,870.12	100.00
1 - 2 years	-	-	-	-
<b>Total</b>	<b>98,968.22</b>	<b>100.00</b>	<b>133,870.12</b>	<b>100.00</b>

(2) There is no balance of prepayments to related parties.

### 3. Other receivable

(1) Aging analysis

Item	March 31 <sup>st</sup> , 2022			March 31 <sup>st</sup> , 2021		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year	192,954.88	4.23	-	266,083.67	5.70	-
1 - 2 years	-	-	-	3,850,998.49	82.49	-
2 - 3 years	3,819,718.77	90.60	-	314,991.79	6.75	-
Over 3 years	551,261.61	5.18	-	236,269.82	5.06	-
<b>Total</b>	<b>4,563,935.26</b>	<b>100.00</b>	<b>-</b>	<b>4,668,343.77</b>	<b>100.00</b>	<b>-</b>

(2) The balance as at March 31<sup>st</sup>, 2022 is mainly the domestic unbilled revenue debtors, deposit for office rental, staff cash advance and bid bond.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 5. Fixed Assets

Item	March 31 <sup>st</sup> , 2021	Additions	Deductions	March 31 <sup>st</sup> , 2022
<b>Cost</b>	<b>618,499.56</b>	<b>179,561.59</b>	-	<b>798,061.15</b>
Electronic & Office equipment	618,499.56	179,561.59	-	798,061.15
<b>Accumulated depreciation</b>	<b>613,462.07</b>	<b>21,554.71</b>	-	<b>635,016.78</b>
Electronic & Office equipment	613,462.07	21,554.71	-	635,016.78
<b>Net book value</b>	<b>5,037.49</b>	-	-	<b>163,044.37</b>
Electronic & Office equipment	5,037.49	-	-	163,044.37

## 6. Intangible assets

Item	March 31 <sup>st</sup> , 2021	Additions	Deductions	March 31 <sup>st</sup> , 2022
<b>Cost</b>	<b>75,641.02</b>	-	-	<b>75,641.02</b>
Software	75,641.02	-	-	75,641.02
<b>Accumulated amortisation</b>	<b>75,641.02</b>	-	-	<b>75,641.02</b>
Software	75,641.02	-	-	75,641.02
<b>Net book value</b>	-	-	-	-
Software	-	-	-	-

## 7. Right-of-use asset

Item	March 31 <sup>st</sup> , 2021	Additions	Deductions	March 31 <sup>st</sup> , 2022
<b>Cost</b>	<b>2,664,467.04</b>	<b>20,526.66</b>	-	<b>2,684,993.70</b>
Office Rent	2,664,467.04	20,526.66	-	2,684,993.70
<b>Accumulated amortisation</b>	<b>181,668.21</b>	<b>733,670.55</b>	-	<b>915,338.76</b>
Office Rent	181,668.21	733,670.55	-	915,338.76
<b>Net book value</b>	<b>2,482,798.83</b>	-	-	<b>1,769,654.94</b>
Office Rent	2,482,798.83	-	-	1,769,654.94

## 8. Accounts payable

(1) Aging analysis

Item	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<b>Total</b>	<b>5,282,549.44</b>	<b>5,206,392.78</b>
Including: Over 1 year	349,542.72	-

(2) The balance of related-party's accounts payable was RMB 4,709,171.56 accounting for 89.15% of total balance.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

### 9. Accrued Payroll

Item	March 31 <sup>st</sup> , 2021	Additions	Deductions	March 31 <sup>st</sup> , 2022
<b>Short-term payroll</b>	<b>1,198,945.04</b>	<b>13,545,320.95</b>	<b>13,282,759.28</b>	<b>1,461,506.71</b>
Salaries (including bonus, subsidy and allowance)	1,198,945.04	11,923,108.03	11,660,546.36	1,461,506.71
Social insurance	-	766,480.46	766,480.46	-
Among: Medical insurance	-	743,555.93	743,555.93	-
Injury insurance	-	14,786.05	14,786.05	-
Maternity insurance	-	8,138.48	8,138.48	-
Housing fund	-	855,732.46	855,732.46	-
<b>Defined Contribution Plans</b>	<b>-</b>	<b>1,235,830.38</b>	<b>1,235,830.38</b>	<b>-</b>
Basic endowment insurance	-	1,196,406.27	1,196,406.27	-
Unemployment insurance	-	39,424.11	39,424.11	-
<b>Total</b>	<b>1,198,945.04</b>	<b>14,781,151.33</b>	<b>14,518,589.66</b>	<b>1,461,506.71</b>

### 10. Tax Payable

Item	March 31 <sup>st</sup> , 2021	Additions	Deductions	March 31 <sup>st</sup> , 2022
Value added tax	-	565,427.41	492,370.12	73,057.29
Withholding value added tax	-	1,601,743.40	1,601,743.40	-
Enterprise income tax	-	-	-	-
Individual income tax	-	1,495,682.01	1,490,809.96	4,872.05
City construction tax	-	39,579.92	34,465.91	5,114.01
Education surcharge	-	16,962.82	14,771.10	2,191.72
Local education surcharge	-	11,308.56	9,847.41	1,461.15
Stamp tax	-	14,346.30	14,346.30	-
Disability deposit	-	31,625.20	31,625.20	-
<b>Total</b>	<b>-</b>	<b>3,776,675.62</b>	<b>3,689,979.40</b>	<b>86,696.22</b>

### 11. Other Payable

(1) Other payable

Item	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<b>Total</b>	<b>3,844,577.99</b>	<b>4,177,928.10</b>
Including: over 1 year	1,000,679.12	480,053.90

(2) The balance of other payable due to related parties as at March 31<sup>st</sup>, 2022 was RMB 138,144.00, which is 3.59% of the total ending balance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 12. Non-current liabilities within one year

Item	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<b>Total</b>	728,793.61	689,491.67
Lease liabilities within one year	728,793.61	689,491.67

## 13. Lease liability

Item	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
Lease liabilities related to operating leases	1,829,429.27	2,497,141.12
Including: unrecognized financing costs	104,740.28	41,191.42
Less: lease liabilities due within one year	728,793.61	689,491.67
<b>Total</b>	<b>1,100,635.66</b>	<b>1,807,649.45</b>

## 15. Paid-in Capital

Investor	March 31 <sup>st</sup> , 2021		Additions	Deductions	March 31 <sup>st</sup> , 2022	
	Amount	%			Amount	%
KPIT Technologies Limited	14,074,702.40	100.00	-	-	14,074,702.40	100.00
<b>Total</b>	<b>14,074,702.40</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>14,074,702.40</b>	<b>100.00</b>

## 16. Capital Surplus

Item	March 31 <sup>st</sup> , 2021	Additions	Deductions	March 31 <sup>st</sup> , 2022
Capital (Share) premium	21,916.98	-	-	21,916.98
<b>Total</b>	<b>21,916.98</b>	<b>-</b>	<b>-</b>	<b>21,916.98</b>

## 14. Undistributed Profits

Item	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
<b>Opening balance</b>	<b>503,214.51</b>	<b>-2,300,070.61</b>
Additions: Net profit	-775,198.23	2,803,285.12
Deductions: Statutory surplus reserve	-	-
<b>Closing balance</b>	<b>-271,983.72</b>	<b>503,214.51</b>
<b>Including: cash dividend to be distributed</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 17. Other receivable

Item	2022		2021	
	Operating income	Operating cost	Operating income	Operating cost
Gross operating	44,767,759.74	25,836,445.77	38,525,073.35	22,325,256.42
Service income	44,767,759.74	25,836,445.77	38,525,073.35	22,325,256.42
<b>Total</b>	<b>44,767,759.74</b>	<b>25,836,445.77</b>	<b>38,525,073.35</b>	<b>22,325,256.42</b>

## 18. Finance Expenses

Item	2022	2021
Interest expense	104,985.01	30,979.96
Deductions: interest income	37,894.68	31,706.80
Additions: foreign exchange loss (“-“ means gain)	5,691.01	119,932.51
Additions: bank service charge	13,619.91	10,747.86
<b>Total</b>	<b>86,401.25</b>	<b>129,953.53</b>

## 21. Other income

Item	Type	2022	2021
Government grants related to daily activities	Income-related	550,000.00	771,000.00
Transportation additional deduction	Vat-deduction	172,319.40	200,162.06
<b>Total</b>	-	<b>722,319.40</b>	<b>971,162.06</b>

## 20. Non-operating Income

Item	2022	2021
Individual income tax refund	12,609.29	37,582.65
<b>Total</b>	<b>12,609.29</b>	<b>37,582.65</b>

## 19. Income Tax

Item	2022	2021
Current year income tax	-	122,377.07
Prior year adjustment of income tax expenses	-122,377.07	-
<b>Total</b>	<b>-122,377.07</b>	<b>122,377.07</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 22. Other receivable

Item	2022	2021
<b>1. Reconciliation of net loss to cash flows used in operating activities:</b>	-	-
Net profit	-775,198.23	2,803,285.12
Additions: Asset impairment	—	—
Provision for bad debt	2,931,923.58	-
Depreciation of fixed assets	21,554.71	61,408.29
Depreciation of right-of-use asset	733,670.55	181,668.21
Amortization of intangible assets	-	-
Amortization of long-term prepaid expense	-	-
Losses on disposal of fixed assets (“-“ means “Gain”)	-	-
Losses on scrap of fixed assets (“-“ means “Gain”)	-	-
Finance expenses (“-“ means “Income”)	110,676.02	150,912.47
Decrease in deferred tax assets (“-“ means “Increase”)	-	-
Increase in deferred tax liabilities (“-“ means “Decrease”)	-	-
Decrease in other current assets (“-“ means “Increase”)	253,958.63	11,262.88
Decrease in operating receivables (“-“ means “Increase”)	-3,770,916.46	13,824,311.51
Increase in operating payables (“-“ means “Decrease”)	16,033.37	-8,525,660.36
Net cash flows from operating activities	-478,297.83	8,507,188.12
<b>2. Net increase in cash and cash equivalents:</b>	-	-
Ending balance of cash	12,504,698.09	13,961,472.04
Less: Opening balance of cash	13,961,472.04	5,772,522.31
Net increase in cash and cash equivalents	-1,456,773.95	8,188,949.73

## 7. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

### A. Related party relationship

#### 1. Parent company

(1) Parent company background information

Parent Company	Nature	Registered address	Main transactions
KPIT Technologies Limited	Investing	India	Receiving of services Expenses paid on behalf of the company

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

(2) Equity shares and changes in equity shares held by the parent company

Parent company	Equity shares		Equity shares percentage (%)		Voting right percentage (%)	
	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
KPIT Technologies Limited	14,074,702.40	14,074,702.40	100.00	100.00	100.00	100.00

### 2. Other related parties

Relationship with the Company	Name of related parties	Main transactions address
Controlled by the same ultimate holding company	Sparta Consulting Inc.	Rendering of services
Controlled by the same ultimate holding company	KPIT Microfuzzy	Receiving of services
Controlled by the same ultimate holding company	KPIT US21	Receiving of services
Controlled by the same ultimate holding company	KPIT Technologies (Japan) Branch	Rendering of services
Controlled by the same ultimate holding company	KPIT Technologies GK(Japan)	Rendering of services
Controlled by the same ultimate holding company	KPIT Infosystems Inc.	Receiving of services
Controlled by the same ultimate holding company	KPIT Technology GK(Branch) South Korea	Rendering of services
Controlled by the same ultimate holding company	KPIT Technologies(UK) Limited	Rendering & Receiving of services
Controlled by the same ultimate holding company	KPIT Technologies GmbH	Receiving of services

### B. Due to/from related parties

#### 1) Accounts receivable

Name of related parties	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
KPIT Technologies Ltd Japan Branch	100,495.75	100,495.75
KPIT Technologies Inc	22,720.99	2,322.50
KPIT Technologies GmbH	5,081.35	74,773.18
KPIT Technology GK(Branch) South Korea	19.08	19.08
KPIT Technologies GK (Japan)	-	2,615.75
<b>Total</b>	<b>128,317.17</b>	<b>180,226.26</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## 2) Accounts payable

Name of related parties	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
KPIT Technologies Limited	3,360,931.95	4,867,241.40
KPIT Technologies GmbH	860,719.94	367,123.42
KPIT Microfuzzy	458,561.39	-
KPIT Technologies (UK) Limited	-17,580.70	-17,580.70
KPIT-US21	46,538.98	-
KPIT Technologies Inc	-	-10,391.34
<b>Total</b>	<b>4,709,171.56</b>	<b>5,206,392.78</b>

## 3) Other payable

Name of related parties	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
KPIT Technologies Limited	138,144.00	466,517.00
<b>Total</b>	<b>138,144.00</b>	<b>466,517.00</b>

## C. Related party transactions

### 1) Rendering of services

Name of related parties	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
KPIT Technologies Inc	408,900.59	24,443.74
KPIT Technologies GmbH	4,793.73	70,391.29
KPIT Technologies GK (Japan)	-	2,591.09
KPIT Technology GK(Branch) South Korea	-	18.00
<b>Total</b>	<b>413,694.32</b>	<b>97,444.12</b>

### 2) Receiving of services and expenses paid by related parties

Name of related parties	March 31 <sup>st</sup> , 2022	March 31 <sup>st</sup> , 2021
KPIT Technologies Limited	24,041,949.84	21,281,664.47
KPIT Technologies GmbH	493,596.52	375,950.17
KPIT Microfuzzy	458,561.38	-
KPIT-US21	46,538.98	-
KPIT Technologies Inc	-	57,587.32
<b>Total</b>	<b>25,040,646.72</b>	<b>21,715,201.96</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2022

## **8. CONTINGENCIES**

As at March 31<sup>st</sup>, 2022, the Company does not have any significant contingencies to be disclosed.

## **9. COMMITMENTS**

As at March 31<sup>st</sup>, 2022, the Company does not have any significant commitments to be disclosed.

## **10. SUBSEQUENT EVENTS**

As the financial statements of the Company are approved to issue, the Company does not have any significant subsequent events to be disclosed.

## **11. Approval of Financial Reports**

The Company's financial statements as at March 31<sup>st</sup>, 2022 have been approved by the board of the Company.

**KPIT Technologies GK**

Registered Office: Senikaikan 5 F, 3-1-11 Nihonbashi-Honcho Chuo-ku, Tokyo, Japan 103-0023.

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	JPY	JPY
Total Income	4,423,178,107	2,796,255,212
Net Profit / (Loss) for the year	324,536,733	83,336,173

**Dividend:**

During the current year, the Company has paid dividend amounting to JPY 114,000,000 to its holding Company, KPIT Technologies Limited, India.

**Audit**

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. Therefore, the Company appointed Mazars Audit LLC as auditors to conduct the audit and the audit report issued by them is attached with the accounts of the Company.

For and on behalf of the Board of Directors,  
**KPIT Technologies GK**

Pune  
April 22, 2022

**Kishor Patil**  
Chairman

## INDEPENDENT AUDITOR'S REPORT

To KPIT Technologies GK  
 Representative Member KPIT Technologies Ltd  
 Executive Manager,  
 Mr. Rohan Sohoni

### **Opinion**

We have audited the accompanying financial statements of KPIT Technologies GK (the "Company"), which comprise the balance sheet as of March 31, 2022, income statement and statement of changes in net assets for the fiscal year then ended, including the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with Rules of Corporate Accounting, applying its article 98-2(5), and generally accepted accounting principles in Japan.

### **Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. 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 ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the information other than the financial statements and our auditor's report. We conclude that the other information does not exist, therefore, we have not performed any procedures for the other information.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with Rules of Corporate Accounting, applying its article 98-2(5), and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern.

### **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. 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 auditing standards generally accepted in Japan, we exercise professional judgement 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessment, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 whether the overall presentation of the financial statements, including the disclosures, are in accordance with Rules of Corporate Accounting, applying its article 98-2(5), and accounting principles generally accepted in Japan.

We communicate with the management 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.

***Interest***

Our firm and the Designated Responsible Partner do not have any financial interest in the Company which disclosures is required under the provisions of the Certified Public Accountants Act in Japan.

Mazars Audit LLC

**April 22, 2022**

Masashi Uchida

Designated Engagement Partner

Certified Public Accountant

# BALANCE SHEET

AS AT 31 MARCH 2022

(Amount in yen)

Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>		<b>Current Liabilities:</b>	
Cash and cash equivalents	800,126,393	Trade payables	551,106,462
Trade receivables	872,141,945	Other payables	28,962,321
Other receivables	218,972,610	Accrued employee costs	13,445,089
Prepaid expenses	3,426,567	Income tax payable	171,134,299
Unbilled revenue	4,963,037	Consumption Tax payable	193,406,178
Other current assets	845,244	Withholdings	27,384,032
		Unearned revenue	323,260,507
		Provision for Bonuses	29,812,646
<b>Total current assets</b>	<b>1,900,475,796</b>	<b>Total Current Liabilities</b>	<b>1,338,511,534</b>
<b>Non-current Assets:</b>		<b>Non-current Liabilities:</b>	
Tangible fixed assets		Asset Retirement Obligation	4,301,506
Tools, furniture and fixtures	7,466,866	Provision for Bonuses	31,929,555
<b>Total tangible fixed assets</b>	<b>7,466,866</b>	<b>Total non-current Liabilities</b>	<b>36,231,061</b>
		<b>Net Assets:</b>	
Investments and other		Member's equity:	
Security Deposit	21,918,314	Capital	27,396,250
Deferred tax asset	54,200,173	Retained earnings	581,922,303
Total investments and other	76,118,487	<b>Total Member's equity</b>	<b>609,318,553</b>
<b>Total non-current Assets</b>	<b>83,585,353</b>	<b>Total Net Assets</b>	<b>609,318,553</b>
<b>TOTAL ASSETS</b>	<b>1,984,061,149</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,984,061,149</b>

# INCOME STATEMENT

FOR THE YEAR FROM 1 APRIL 2021 TO 31 MARCH 2022

(Amount in yen)

Account Name	Amount
Net sales	4,423,178,107
Cost of goods sold	3,603,427,071
Gross profit	819,751,036
Selling, general and administrative expenses	345,478,255
Operating profit	474,272,781
Non-operating income	
Interest income	120,843
Foreign exchange gain	22,992,887
Ordinary income	23,113,730
497,386,511	497,386,511
Profit before income taxes	497,386,511
Income taxes	199,743,469
Deferred tax expenses	(26,893,691)
Net income	324,536,733

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR FROM 1 APRIL 2021 TO 31 MARCH 2022

(Amount in yen)

	Member's Equity			Total Net Assets
	Capital	Retained Earnings	Total Member's Equity	
Balance at beginning of the year	27,396,250	371,377,648	398,773,898	398,773,898
Change in the year				
Net Income		324,536,733	324,536,733	324,536,733
Dividend payment		(114,000,000)	(114,000,000)	(114,000,000)
Other Changes		7,922	7,922	7,922
Total change in the year	-	210,544,655	210,544,655	210,544,655
Balance at end of the year	27,396,250	581,922,303	609,318,553	609,318,553

# NOTES TO THE FINANCIAL STATEMENTS

## I. Significant Accounting Policies

### 1. Depreciation of Tangible Fixed Assets

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment	4-5
Office Equipment	10
Owned Vehicle	5
Furniture and fixtures	8

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### 2. Provisions for Bonuses

To provide for future payments of bonuses to directors and employees, the provision for bonuses is recorded based on the Company's internal regulations or on another basis.

### 3. Standards for Revenues and Expenses

The Company derives revenues primarily from providing engineering services which includes design engineering services, embedded software development with its related services and from the sale of licenses and products. The Company is obliged to deliver the engineering services, licenses and products based on the contract with the customers. The contract with customers is either on a fixed-price or on a time-and-material basis. Revenue from fixed price contracts is recognized over time and revenue on time and material contracts is recognized as the related services are provided.

### 4. Consumption tax

The accounting of the consumption tax is based on the tax exclusion method.

## NOTES TO THE FINANCIAL STATEMENTS

### II. Notes for change in accounting policy

(Application of Accounting Standard for Revenue Recognition and Implementation Guidance on Accounting Standard for Revenue Recognition)

The Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 March 31 2020) and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 March 26 2021) (hereinafter, this is called “Revenue Recognition Accounting Standards”) from the beginning of the current fiscal year, and has recognized revenue at the amount expected to be received in exchange for the goods or services when the dominance of the promised goods or services is transferred to the customer. There is no impact of the application of Revenue Recognition Accounting Standards on financial statements.

(Application of Accounting Standard for Calculation of Fair Value Measurement)

“Accounting Standard for Calculation of Fair Value Measurement” (Corporate Accounting Standard No. 30, July 4, 2019, hereinafter referred to as the “Accounting Standard for Fair Value Measurement”) has been applied from the beginning of the current fiscal year, and in accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement, and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (Corporate Accounting Standard No. 10, July 4, 2019), the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement, etc., is applied for the future. This change has no impact on the financial statements.

### III. Notes for others

Notes on the Balance Sheet, Income Statement, and Statements of Changes in Net Assets are partially omitted in accordance with Article 98-2-5 of the Ordinance on Company Accounting.

**ThaiGerTec Co., Limited**

Registered Office: No. 44/1, Rungrojthanakul Buildings, 14<sup>th</sup> Floor, Ratchadapisek Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok, Thailand.

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	Baht	Baht
Total Income	67,419,523	68,208,172
Net Profit / (Loss) for the period	8,326,487	(8,569,665)

During the year 2021-2022, the Company has witnessed remarkable increase in profit.

**Directors:**

During the year under review, Mr. Markus Waidelich resigned from the position of Director of the Company with effect from August 31, 2021.

**Audit**

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. Therefore, the Company appointed Bangkok International Audit Co., Ltd as auditors to conduct the audit and the audit report issued by them is attached with the accounts of the Company.

For and on behalf of the Board of Directors,  
**ThaiGerTec Co., Limited**

Pune  
April 23, 2022

**Kishor Patil**  
Chairman

# INDEPENDENT AUDITOR'S REPORT

To The Shareholders of **ThaiGerTec Co., Ltd**

## Opinion

I have audited the financial statements of **ThaiGerTec Co., Ltd** which comprise the statement of financial position as at 31 March 2022, the statement of income and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Profession as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

METEE SANGMANEE

Certified Public Accountant (Thailand) No. 5061

Bangkok International Audit Co., Ltd  
Bangkok  
23 April 2022

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	Baht	
		2022	2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	5,145,944.11	15,313,544.03
Trade and other receivables	5	20,990,903.14	30,605,932.84
<b>TOTAL CURRENT ASSETS</b>		<b>26,136,847.25</b>	<b>45,919,476.87</b>
<b>NON - CURRENT ASSETS</b>			
Building improvement and equipment	6	12,047,362.82	12,889,542.32
Intangible assets	7	151411.63	280,756.71
Other non - current assets		3,974,350.00	3,974,350.00
<b>TOTAL NON - CURRENT ASSETS</b>		<b>16,173,124.45</b>	<b>17,144,649.03</b>
<b>TOTAL ASSETS</b>		<b>42,309,971.70</b>	<b>63,064,125.90</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,887,428.87	28,769,243.84
Advance received		3,206,134.00	5,799,260.00
Advance from related party		1,794,300.24	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,887,863.11</b>	<b>34,568,503.84</b>
<b>NON - CURRENT LIABILITIES</b>			
Long - term borrowing from other party	9	-	2,400,000.00
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>-</b>	<b>2,400,000.00</b>
<b>TOTAL LIABILITIES</b>		<b>7,887,863.11</b>	<b>36,968,503.84</b>
<b>EQUITY</b>			
Share capital			
Authorized share capital			
1,600,000 ordinary shares of Baht 10 each		16,000,000.00	16,000,000.00
Paid - up share capital			
1,600,000 ordinary shares of Baht 10 each		16,000,000.00	16,000,000.00
Retained earnings		18,422,108.59	10,095,622.06
<b>TOTAL EQUITY</b>		<b>34,422,108.59</b>	<b>26,095,622.06</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>42,309,971.70</b>	<b>63,064,125.90</b>

The accompanying notes are an integral part of these financial statements.

Director

# STATEMENTS OF INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Baht	
	2022	2021
<b>REVENUES</b>		
Services income	66,476,155.80	67,359,124.29
Other income	943,366.81	849,047.68
<b>TOTAL REVENUES</b>	<b>67,419,522.61</b>	<b>68,208,171.97</b>
<b>EXPENSES</b>		
Cost of service	31,927,516.70	53,733,121.18
Administrative expense	21,150,342.76	22,470,376.71
Other expenses	6015,176.62	574,339.05
<b>TOTAL EXPENSES</b>	<b>59,093,036.08</b>	<b>76,777,836.94</b>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>8,326,486.53</b>	<b>(8,569,664.97)</b>

The accompanying notes are an integral part of these financial statements.

Director

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Baht		
	Paid - up share capital	Retained Earnings	Total
<b>Balance as at 1 April 2020</b>	16,000,000.00	18,665,287.03	34,665,287.03
Net loss for the year	-	(8,569,664.97)	(8,569,664.97)
<b>Balance as at 31 March 2021</b>	16,000,000.00	10,095,622.06	26,095,622.06
<b>Balance as at 1 April 2021</b>	16,000,000.00	10,095,622.06	26,095,622.06
Net profit for the year	-	8,326,486.53	8,326,486.53
<b>Balance as at 31 March 2022</b>	16,000,000.00	18,422,108.59	34,422,108.59

The accompanying notes are an integral part of these financial statements.

Director

# NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 2022

## 1. GENERAL INFORMATION

Registration	: The Company was registered as a limited company on 11 November 2004. Registration No. 0105547152489
Located	: No. 44/1 Rungrojthanakul Building, 14 <sup>th</sup> Floor, Ratchadaphisek Road, Hauai Kwang Sub - District, Hauai Kwang District, Bangkok.
Type of business	: Electronic design and development service.

## 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with financial reporting standard applicable to non - publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenues and expenses recognition

Service are recognized the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

Other revenues and expenses are recognized on an accrual basis.

### 3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated collection losses that may be incurred in the collection of receivables.

The allowance is based on collection experience and the current status of the receivables outstanding at the statement of financial position date. Bad debts will be written off for the accounts considered uncorrectable.

# NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 2022

## 3.4 Building improvement and equipment and depreciation

Building improvement and equipment are stated at cost less accumulated depreciation.

Depreciation of building improvement and equipment are calculated by reference to their cost on a straight - line method over the estimated useful lives as follow :

	Years
Building improvement	20
Machinery and equipment	5
Office equipment	5
Furniture and fixture	5

Depreciation of building improvement and equipment are included in determining income.

## 3.5 Intangible assets and amortization

Intangible assets initially acquired are recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to the income statement. Amortization of computer software are calculated by reference to their cost on a straight - line method over the useful lives 3 - 5 years.

## 3.6 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 3.7 Foreign currencies

Foreign currency transactions during the year are translated into Baht at the rates ruling on the transaction dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date. Exchange gains and losses are included in determining income.

## 3.8 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

## 3.9 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual result may differ from those estimates.

Director

## NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 2022

### 4. CASH AND CASH EQUIVALENTS

	Baht	
	2022	2021
Cash	20,000.00	49,367.00
Cash at bank - Saving account	9,976.00	1,949,730.11
- Current account	1,615,968.11	314,446.92
- Fixed account	3,500,000.00	13,000,000.00
<b>Total</b>	<b>5,145,944.11</b>	<b>15,313,544.03</b>

### 5. TRADE AND OTHER RECEIVABLES

	Baht	
	2022	2021
Trade accounts receivable	19,175,600.03	24,440,686.08
Other receivables		
- Refundable input tax	258,037.70	4,395,447.98
- Withholding tax	75,220.08	75,212.51
- Prepaid expense	694,830.95	786,707.11
- Accrued interest income	14.38	-
- Advance to employee	787,200.00	907,879.16
<b>Total</b>	<b>20,990,903.14</b>	<b>30,605,932.84</b>

### 6. BUILDING IMPROVEMENT AND EQUIPMENT

	Baht			As at 31 March 2022
	As at 1 April 2021	Addition	Deduction	
<b>Cost :</b>				
Building improvement	10,677,470.00	-	-	10,677,470.00
Machinery and equipment	7,142,116.04	729,550.00	618,422.00	7,253,244.04
Office equipment	4,693,296.38	631,002.97	981,841.69	4,342,457.66
Furniture and fixture	4,673,482.13	-	921,047.15	3,752,434.98
<b>Total</b>	<b>27,186,364.55</b>	<b>1,360,552.97</b>	<b>2,521,310.84</b>	<b>26,025,606.68</b>
<b>Accumulated depreciation :</b>				
Building improvement	1,598,545.23	533,982.71	-	2,132,527.94
Machinery and equipment	5,039,933.61	759,272.30	618,164.35	5,181,041.56
Office equipment	3,846,806.76	453,431.16	976,965.97	3,323,271.95
Furniture and fixture	3,811,536.63	449,123.81	919,258.03	3,341,402.41
<b>Total</b>	<b>14,296,822.23</b>	<b>2,195,809.98</b>	<b>2,514,388.35</b>	<b>13,978,243.86</b>
<b>Net</b>	<b>12,889,542.32</b>			<b>12,047,362.82</b>
Depreciation (included in statements of income)				
Year 2022				2,195,809.98
Year 2021				2,224,895.94

Director

## NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 2022

### 7. INTANGIBLE ASSETS

	Baht			As at 31 March 2022
	As at 1 April 2021	Addition	Deduction	
<b>Cost :</b>				
Computer software	1,234,503.78	-	-	1,234,503.78
Total	1,234,503.78	-	-	1,234,503.78
<b>Accumulated amortization :</b>				
Computer software	953,747.07	129,345.08	-	1,083,092.15
Total	953,747.07	129,345.08	-	1,083,092.15
<b>Net</b>	<b>280,756.71</b>			<b>151,411.63</b>
Depreciation (included in statements of income)				
Year 2022				129,345.08
Year 2021				142,741.07

### 8. TRADE AND OTHER PAYABLES

	Baht	
	2022	2021
Trade accounts payable	572,765.45	28,084,776.45
Other payables		
- Withholding tax payable	169,870.65	147,230.91
- Social security fund payable	91,500.00	27,754.00
- Accrued expenses	2,053,292.77	509,482.48
Total	2,887,428.87	28,769,243.84

### 9. LONG - TERM BORROWING FROM OTHER PARTY

As at 31 March 2021, long - term borrowing is borrowing from other party, there is no interest.

### 10. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the authorized directors of the Company on 23 April 2022.

Director

## BOARD'S REPORT

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

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

### Financial summary and highlights

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

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

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

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

### Operations and future outlook

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

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

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

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

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

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

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

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

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

### **State of company's affairs**

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

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

### **Reserves**

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

### **Dividend**

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

### **Share capital**

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

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

### **Employee stock option plan**

During the financial year under review;

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

**Unpaid dividend**

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

**Annual return**

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

**Number of meetings of the board of directors**

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

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

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

**Management**

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

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

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

### **Directors responsibility statement**

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

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

### **Statutory auditors**

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

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

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

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

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

### **Secretarial standards**

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

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

### **i CONSERVATION OF ENERGY:**

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

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

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

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

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

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

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

### **ii TECHNOLOGY ABSORPTION:**

- **The efforts made towards technology absorption**

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

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

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

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

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

### **iii FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **Risk management**

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

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

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

### Development and implementation of corporate social responsibility policy

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

### Research & development

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

### Proposed

- **Research and Development:**

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

- **Benefits:**

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

- **Future Plan of action:**

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

- **Expenditure on R&D:**

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

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

### Details of subsidiaries/joint ventures/associate companies

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

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

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

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

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

#### **Internal financial controls**

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

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

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

#### **Explanations on qualifications**

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

#### **Detail of fraud as per auditor’s report**

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

#### **Deposits**

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

#### **Audit committee**

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

#### **Vigil mechanism**

This is not applicable to the Company.

#### **Maintenance of cost records**

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

**Statement by independent directors and formal annual evaluation**

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

**Insolvency and bankruptcy code**

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

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

The same is not applicable to the Company.

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

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

**Acknowledgements**

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

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

Managing Director (DIN: 00362585)

**Girish Chandra Sabat**

Whole-time Director (DIN: 00913757)

Place: Bengaluru

Date: July 21, 2022

## Annexure – A

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

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

**2. Composition of CSR Committee:**

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

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

[www.pathpartnertech.com/about-us](http://www.pathpartnertech.com/about-us)

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

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

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

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

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

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

## 8. CSR amount spent or unspent for the financial year

## a. CSR amount spent or unspent

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

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

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

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

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

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

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

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

g. Excess amount for set off, if any

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

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

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

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

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

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

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

**By order of the Board of Directors**  
**PathPartner Technology Private Limited**

**Tushar Kanti Adhikary**  
Managing Director (DIN: 00362585)

**Kishor Patil**  
Chairman of CSR Committee (DIN: 00076190)

Place: Bengaluru  
Date: July 21, 2022

## Annexure - B

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

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

**Part "A": Subsidiaries**

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

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

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

**Part “B”: Associates and Joint Ventures**

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

**Notes:**

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

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

**By order of the Board of Directors**  
**PathPartner Technology Private Limited**

**Tushar Kanti Adhikary**  
Managing Director (DIN: 00362585)

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

Place: Bengaluru  
Date: July 21, 2022

## Annexure - C

**FORM NO. AOC -2**

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

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

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

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

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

**By order of the Board of Directors**  
**PathPartner Technology Private Limited**

**Tushar Kanti Adhikary**  
Managing Director (DIN: 00362585)

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

Place: Bengaluru  
Date: July 21, 2022

# INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of PathPartner Technology Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Other Matter**

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

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 45 to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There is an instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022 - INR 0.25 million declared in Seventh Annual General Meeting of the Company held on 30 September 2013. There is a delay of 549 days in transferring the said amounts to Investor Education and Protection Fund.
  - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

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

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

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

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

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

**For B S R & Co. LLP**

Chartered Accountants

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

**Swapnil Dakshindas**

Partner

Membership No. 113896

UDIN: 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

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

FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

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

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

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

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

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

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

**For B S R & Co. LLP**

Chartered Accountants

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

**Swapnil Dakshindas**

Partner

Membership No. 113896

UDIN: 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

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

FOR THE PERIOD ENDED 31 MARCH 2022

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

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

## **Opinion**

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

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

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## **Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or

disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

**For B S R & Co. LLP**

Chartered Accountants

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

**Swapnil Dakshindas**

Partner

Membership No. 113896

UDIN: 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

**BALANCE SHEET****AS AT 31 MARCH 2022**

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

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

**See accompanying notes to the financial statements**

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

FRN: 101248W / W-100022

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

PathPartner Technology Private Limited

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

# STATEMENT OF PROFIT AND LOSS

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

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

**See accompanying notes to the financial statements**

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

FRN: 101248W / W-100022

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

PathPartner Technology Private Limited

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

## STATEMENT OF CASH FLOWS

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

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

# STATEMENT OF CASH FLOWS

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

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

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

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

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

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

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

## See accompanying notes to the financial statements

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

FRN: 101248W / W-100022

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

PathPartner Technology Private Limited

**SWAPNIL DAKSHINDAS**

Partner

M. No. 113896

UDIN : 22113896AHYJQW9193

**KISHOR PATIL**

Director

DIN: 00076190

**TUSHAR K ADHIKARY**

Director

DIN: 00362585

**GIRISH CHANDRA SABAT**

Director

DIN: 00913757

Place: Pune

Date: 27 April 2022

Place: Pune

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

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

### A. Equity share capital

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

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

### B. Other equity

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

## Nature and purpose of reserves:

### i) Securities premium account

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

### ii) Share based payment reserve

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

### iii) General Reserve

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

### iv) Retained earnings

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

### v) Items of other comprehensive income

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

## See accompanying notes to the financial statements

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

FRN: 101248W / W-100022

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

PathPartner Technology Private Limited

**SWAPNIL DAKSHINDAS**

Partner

M. No. 113896

UDIN : 22113896AHYJQW9193

Place: Pune

Date: 27 April 2022

**KISHOR PATIL**

Director

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Place: Bengaluru

Date: 22 April 2022

**GIRISH CHANDRA SABAT**

Director

DIN: 00913757

Place: Bengaluru

Date: 22 April 2022

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1 About PathPartner Technology Private Limited

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

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

## 2 Significant accounting policies

### 2.1 Basis of preparation of financial statements

#### a. Basis of preparation of financial statements

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

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

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

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

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

### 2.2 Use of Estimates

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

#### Critical accounting estimates

##### Revenue Recognition

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the period end date.

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

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

### **Useful lives of property, plant and equipments**

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

### **Income tax**

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

### **Valuation of deferred tax assets**

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

### **Provisions and contingent liabilities**

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

### **Leases**

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

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

## **2.3 Cash Flow Statement**

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

## **2.4 Revenue recognition**

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

### **Sale of Services**

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

### **Sale of Goods**

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **Other Income**

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

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

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

### **2.5 Current–non-current classification**

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

#### **Assets**

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

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

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

#### **Liabilities**

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

- i) it is expected to be settled in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

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

#### **Operating cycle**

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

### De-recognition:

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

### 2.7 Intangible Assets and Amortisation

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

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

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

### 2.8 Inventories

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

### 2.9 Foreign Currency

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

### 2.10 Cash and cash equivalents

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.11 Finance costs

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

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

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

### 2.12 Research and development:

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

### 2.13 Dividend

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

### 2.14 Employee Benefits

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

#### Defined benefit plans:

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

#### Defined contribution plans:

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

#### Compensated absences:

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

### 2.15 Share Based Payment

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 2.16 Taxes on Income

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

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

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

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

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

### 2.17 Leases

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

#### Company as a lessee

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

### Company as a lessor

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

### 2.18 Provisions, Contingent liabilities and Contingent assets

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

No provision is recognised for –

- a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b. Present obligations that arise from past events but are not recognised because-
  - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - 2) A reliable estimate of the amount of obligation cannot be made.

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

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

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

### 2.19 Earnings Per Share

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

### 2.20 Financial instruments

#### I. Initial Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially recognised at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### II. Subsequent measurement

##### a. Non-derivative financial instruments

###### Cash and cash equivalents

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through profit or loss [FVTPL]

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

### Financial liabilities

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

## b. Derivative financial instruments

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

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

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

### Cash flow hedge

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### III. De-recognition

#### Financial assets

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

#### Financial liabilities

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

### IV. Fair value measurement of financial instruments

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

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

### 2.21 Impairment

#### i. Financial assets

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

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

#### ii. Non-financial assets

##### Property, plant and equipment and Intangible assets

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

### 2.22 Recent pronouncements:

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

#### **Ind-AS 103 – Reference to Conceptual Framework**

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

#### **Ind-AS 16 – Proceeds before intended use**

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

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

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

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 2.23 Effect/ Adjustments pursuant to adoption of Ind AS:

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

### (A) Exemptions applied:

#### Voluntary Exemptions:

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

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

#### 2 Investment in equity shares of subsidiaries:

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

#### 3 Share based payments (Ind AS 102)

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

#### Mandatory Exemptions:

#### 4 Use of estimates

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

#### **1 Other equity**

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

#### **2 Defined benefit liabilities**

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

#### **3 Lease liability & Right of use asset**

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

#### **4 Employee stock option plan (ESOP)**

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

#### **5 Others**

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## NON-CURRENT ASSETS

### 3 Property, plant & equipment

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

### Capital work-in-progress ageing schedule

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

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

## 4 Right-of-use assets (ROUA)

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 4.1 Lease transactions (Company as a lessee)

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

### 4.2 Break up of current and non-current lease liabilities

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

### 4.3 Reconciliation of lease liabilities

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

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

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

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## 5 Other intangible assets

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

## FINANCIAL ASSETS:

### 6 Investments (Unquoted) \*

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

### 7 Other financial assets - Non-Current

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

### 8 Deferred tax assets (net)

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 9 Income tax assets (net)

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

### 10 Inventories

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

### 11 Current investments

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 12 Trade Receivables

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

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

#### 12.2 Movement in the Allowance for bad and doubtful trade receivables

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

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

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

#### 12.4 Trade receivables ageing schedule

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

### 13 Cash and Bank balances

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

### 14 Loans

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 15 Other current financial assets

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

#### 15.1 Represents recoverable from related parties as under:

PathPartner Technology Inc, USA	0.58	0.35	-
PathPartner Technology GmbH, Germany	3.01	3.07	2.95
	<b>3.59</b>	<b>3.42</b>	<b>2.95</b>

### 16 Income tax assets (net)

	31 March 2022	31 March 2021	01 April 2020
Income Tax Refund receivable	-	3.14	3.21
	<b>-</b>	<b>3.14</b>	<b>3.21</b>

### 17 Other current assets

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

#### 17.1 Includes advances to Directors as under:

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

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

### 17.2 Movement in contract assets (Unbilled Revenue)

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

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

### 18 SHARE CAPITAL

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 18.7 Other notes on share capital:

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

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

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

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

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

No shares were forfeited.

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

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

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

#### f. Capital Management

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 19 OTHER EQUITY

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

### 20 Lease liability - Non current

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

### 21 Provisions - Non Current

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## 22 Borrowings - Current

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

### 22.1 Note on 'current borrowings'

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

## 23 Lease liability - Current

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

## 24 Trade Payables

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

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

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

### 24.2 Dues to related parties represents payables to;

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 24.3 Trade payables ageing schedule

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 25 Other current financial liabilities

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

#### 25.1 Includes due to Directors as under:

Tushar Kanti Adhikary	1.00	0.60	2.14
Dipanjan Ghosh	1.00	0.62	2.14
Girish Chandra Sabat	1.00	0.60	2.14
	<b>3.00</b>	<b>1.82</b>	<b>6.42</b>

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

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

### 26 Other current liabilities

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

#### 26.1 Movement in contract liabilities (Unearned Revenue)

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 27 Provisions - Current

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

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

### 28 Revenue from operations

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

### 29 Other Income

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 30 Purchases of Stock-in-Trade

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

### 31 Changes in inventories of Stock-in-Trade

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

### 32 Employee benefit expense

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

### 33 Finance Costs

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 34 Other Expenses

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

#### Note

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

### 34.1 Auditors' Remuneration (excluding taxes)

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 35 Income tax expense

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

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

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

### 36 Discontinued Operations Disclosures

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## 36.2 Profit and loss from Discontinued operations

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

### 37 Financial Instruments

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 37.2 Fair value hierarchy

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

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

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

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

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

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

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

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

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## 37.3 Financial risk management

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

### a. Credit risk

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

#### i) Trade receivables

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

Refer Note 12.4 for ageing of trade receivables.

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

#### ii) Cash and bank balances

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

#### iii) Other current financial assets

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

### b. Liquidity risk

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

The liquidity position at each reporting date is given below:

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

The following are the remaining contractual maturities of financial liabilities:

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

## c. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

### (i) Foreign currency risk

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

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

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

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

(INR in million)

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

(INR in million)

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

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

(INR in million)

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

\*Including unbilled revenue

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments and borrowings as on the reporting date are fixed interest rate bearing instruments. Therefore, the Company is not exposed to interest rate risk.

### 38 Employee Benefits

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

#### 38.1 Defined Contribution Plan

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

#### 38.2 Defined Benefit Plan- Gratuity

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Amount recognised in the Balance Sheet**

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

**Expenses recognized in the Statement of Profit and Loss**

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### Expenses recognized in the Other Comprehensive Income (OCI)

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

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

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

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

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

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

### Sensitivity Analysis

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### Maturity profile of defined benefit plan:

Projected benefits payable in future years from the date of reporting

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

### Weighted average assumptions used to determine net periodic benefit cost

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 39 Share Based Payments

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

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

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

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

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

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## 40 Related Party Disclosures

### 40.1 Related parties of the Company are as follows:

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

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

### 40.2 Related Party Transactions:

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 40.3 Balance outstanding as at:

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

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

### 41 Basic and diluted earnings per share

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 42 Earnings in Foreign Currency (on accrual basis)

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

### 43 CIF Value of Imports (on accrual basis)

Particulars	31 March 2022	31 March 2021
Capital goods	2.74	3.83
<b>Total</b>	<b>2.74</b>	<b>3.83</b>

### 44 Expenditure in Foreign currency (on accrual basis)

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

### 45 Contingent liability and capital commitments:

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 46 Segment information

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

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

### 47 Exemption from preparation of consolidated financial statements

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 48 Analytical ratios

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

#### Notes:

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

#### Explanation for variances exceeding 25%

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

## 49 Movement in provision for probable claims

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

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

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

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

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

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

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

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

FRN: 101248W / W-100022

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

PathPartner Technology Private Limited

**SWAPNIL DAKSHINDAS**

Partner

M. No. 113896

UDIN : 22113896AHYJQW9193

**KISHOR PATIL**

Director

DIN: 00076190

**TUSHAR K ADHIKARY**

Director

DIN: 00362585

**GIRISH CHANDRA SABAT**

Director

DIN: 00913757

Place: Pune

Date: 27 April 2022

Place: Pune

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

Place: Bengaluru

Date: 22 April 2022

# BALANCE SHEET

AS AT MARCH 31, 2022

Particulars	Note No.	Amount in €		
		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>ASSETS</b>				
<b>Non-Current assets</b>				
Property, plant and equipment		-	-	-
<b>Financial assets:</b>				
(i.) Other financial assets	2	750	-	-
		<b>750</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>				
<b>Financial assets:</b>				
(i.) Trade receivables				
-Billed	3	32,900	85,867	10,100
-Unbilled		-	16,756	10,000
(ii.) Cash and cash equivalents	4	68,821	77,877	13,777
(iii.) Loans	5	-	8,040	185
Other Current assets	6	211	-	-
		<b>101,932</b>	<b>188,539</b>	<b>34,062</b>
<b>Total assets</b>		<b>102,682</b>	<b>188,539</b>	<b>34,062</b>
<b>EQUITY AND LIABILITIES</b>				
Equity Share capital	7	25,000	25,000	25,000
Other Equity	8	(61,434)	(35,887)	(43,079)
		<b>(36,434)</b>	<b>(10,887)</b>	<b>(18,079)</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i.) Borrowings	9	54,201	50,583	-
(ii.) Trade payables	10	40,194	93,940	14,780
Other current liabilities	11	44,720	54,903	37,361
		<b>139,116</b>	<b>199,426</b>	<b>52,141</b>
<b>Total Equity and Liabilities</b>		<b>102,682</b>	<b>188,539</b>	<b>34,062</b>

The accompanying notes form an integral part of these financial statements

2-19

For and on behalf of Board of Directors of  
**PathPartner Technology GmbH, Germany**

**Ajay Basarur**  
Managing Director

**Girish C Sabat**  
Director

Place: Frankfurt  
Date : 22 April 2022

Place: Bengaluru  
Date : 22 April 2022

# STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD FROM APRIL 01, 2021 TO MARCH 31, 2022

Particulars	Note No.	Amount in €	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	12	164,700	254,081
<b>Total Income</b>		<b>164,700</b>	<b>254,081</b>
<b>EXPENSES</b>			
Employee benefit expense	13	139,199	137,437
Finance costs	14	3,618	583
Other expenses	15	47,429	108,869
<b>Total expenses</b>		<b>190,246</b>	<b>246,889</b>
<b>Profit / (loss) before tax expense</b>		<b>(25,546)</b>	<b>7,192</b>
<b>Income tax expense</b>			
Current tax	17	-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year</b>		<b>(25,546)</b>	<b>7,192</b>
<b>Other comprehensive income (OCI)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year/period</b>		<b>(25,546)</b>	<b>7,192</b>
<b>Earning per equity share</b>			
Basic Earnings per share	18	(1.02)	0.29
Diluted Earnings per share		(1.02)	0.29
Weighted average number of equity shares outstanding		25,000	25,000

The accompanying notes form an integral part of these financial statements

2-19

For and on behalf of Board of Directors of  
**PathPartner Technology GmbH, Germany**

**Ajay Basarur**  
Managing Director

**Girish C Sabat**  
Director

Place: Frankfurt  
Date : 22 April 2022

Place: Bengaluru  
Date : 22 April 2022

# STATEMENT OF CASH FLOWS

FOR THE PERIOD APRIL 1, 2021 TO MARCH 31, 2022

Particulars	Amount in €	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flow from operating activities</b>		
<b>Profit for the year</b>	(25,546)	7,192
<b>Adjustments for;</b>		
Interest expense	3,618	583
<b>Operating profit before working capital changes</b>	<b>(21,928)</b>	<b>7,775</b>
<b>Adjustments for changes in :</b>		
Other liabilities and trade payables	(63,928)	96,703
Loans and advances & other current assets	7,828	(7,855)
Trade receivables	69,723	(82,523)
<b>Net cash generated from operations</b>	<b>(8,306)</b>	<b>14,100</b>
Income tax paid	-	-
<b>Net cash generated from operating activities (A)</b>	<b>(8,306)</b>	<b>14,100</b>
<b>Cash flow from Investing activities</b>		
Security Deposit	(750)	-
<b>Net cash flow from investing activities (B)</b>	<b>(750)</b>	<b>-</b>
<b>Cash flow from Financing activities</b>		
Proceeds from borrowings	-	50,000
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>50,000</b>
<b>Changes in cash and cash equivalents (A+B+C)</b>	<b>(9,056)</b>	<b>64,100</b>
<b>Cash and cash equivalents</b>		
At the beginning of the year/period	77,877	13,777
At the end of the year/period	68,821	77,877
<b>Reconciliation of Cash and cash equivalents with the financial Statements:</b>		
<b>Cash and cash equivalent - Refer Note No.4</b>	<b>68,821</b>	<b>77,877</b>

The accompanying notes form an integral part of these financial statements

2-19

For and on behalf of Board of Directors of  
**PathPartner Technology GmbH, Germany**

**Ajay Basarur**  
 Managing Director

**Girish C Sabat**  
 Director

Place: Frankfurt  
 Date : 22 April 2022

Place: Bengaluru  
 Date : 22 April 2022

## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

Amount in €

Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
25,000	-	-	-	25,000

  

Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
25,000	-	-	-	25,000

### B. Other equity

Particulars	Reserves & surplus		Total
	Retained earnings		
		Amount in €	Amount in €
<b>Balance as at 1 April 2020</b>		(43,079)	(43,079)
Profit for the year		7,192	7,192
Adjustments for the year		-	-
<b>Balance as at 31 March 2021</b>		(35,887)	(35,887)
Profit for the year		(25,546)	(25,546)
Adjustments for the period		-	-
<b>Balance as at 31 March 2022</b>		(61,434)	(61,434)

The accompanying notes form an integral part of these financial statements

2-19

For and on behalf of Board of Directors of  
**PathPartner Technology GmbH, Germany**

**Ajay Basarur**  
 Managing Director

**Girish C Sabat**  
 Director

Place: Frankfurt  
 Date : 22 April 2022

Place: Bengaluru  
 Date : 22 April 2022

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 1 : Corporate Information and Significant Accounting Policies

### I CORPORATE INFORMATION

PathPartner Technology GmbH ("the Company") incorporated on 12 July 2018 with its registered office at Frankfurt, Germany, is a wholly owned subsidiary of PathPartner Technology Private Limited, India. The Company is predominantly engaged in the business of development of embedded multimedia solutions and conducts research activities in the field of embedded multimedia and related services and marketing support / consultancy services to its holding company.

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

### II SIGNIFICANT ACCOUNTING POLICIES

#### (a.) Basis of preparation of financial statements

The parent company and its shareholders have entered into business transfer agreement with KPIT Technologies Limited. These special purpose financial statements have been prepared for the purposes of including the same in consolidated financial statements of the holding company prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. These financial statements comprises of Balance sheet, Profit and Loss Statement, Statement of changes in Equity, Cash Flow Statement and selected explanatory notes.

EURO is the functional currency of the Company.

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

#### (b.) Use of Estimates

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

#### (c.) Cash Flow Statement

Cash Flow statement is prepared in accordance with Ind AS-7, Cash Flow Statement, specified under the Companies Act 2013 using the indirect method to determine cash flows from operating activities. The cash flows of the company are segregated into operating, investing and financing activities. Cash & cash equivalents for the purpose of cash flow statement comprise of cash in hand, demand deposit placed with banks and term deposit with banks (with an original maturity of three months or less).

#### (d.) Revenue recognition

Revenue from software development services and marketing support service are recognised as and when the services are rendered as per the terms of contract with customers and when there is no uncertainty as to its ultimate recovery.

Revenue in excess of billings on service contracts is recorded as 'unbilled revenue' and is included under 'other current assets'. Billing in excess of revenue is recorded as 'income invoiced but not accrued' and is included under 'Current Liabilities'.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (e.) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet. Exchange differences arising on settlement of foreign currency transactions and balances restated are recognized as income or expense in the Profit and Loss Statement.

### (f.) Employee Benefits

#### Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc. and are recognised as expense in the period in which the employee renders the related service.

### (g.) Leases

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

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

### (h.) Provisions and Contingencies

Provisions for the losses and contingencies arising as a result of a past event, where the management considers it possible that a liability may be incurred which may result in outflow of resources on a future date, are made on the basis of the best reliable estimates of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### (i.) Taxation

Tax expense comprising current tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined on tax payable method in respect of taxable income as computed under the tax laws taking into account various adjustments, reliefs and concessions as may be available to the company. Certain items of income and expenditure are not reported in tax returns and financial statements in the same year. The net tax effect calculated at the current enacted tax rates of this timing difference as also that relating to carried forward unabsorbed depreciation and business loss subject to satisfaction of virtual certainty test as at the end of an accounting year is reported as deferred income tax asset/ liability. The effect on deferred tax assets and liabilities due to change from such assets/ liabilities as at the end of previous accounting year and due to a change in tax rates are recognized in the income statement of the year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (j.) Earnings Per Share

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For Calculating the Diluted EPS, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### III. Effect/ Adjustments pursuant to adoption of Ind AS:

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

Particulars	(Amounts in €)		
	IGAAP	Effects of transition	Ind AS
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	-	-	-
<b>Financial assets:</b>			
(i.) Other financial assets	-	-	-
Income tax assets (net)	-	-	-
	-	-	-
<b>Current assets</b>			
<b>Financial assets:</b>			
(i.) Trade receivables	10,100	-	10,100
(ii.) Cash and cash equivalents	13,777	-	13,777
(iii.) Loans	185	-	185
Other current assets	-	-	-
	<b>24,062</b>	-	<b>24,062</b>
<b>TOTAL</b>	<b>24,062</b>	-	<b>24,062</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	25,000	-	25,000
Other equity	(43,079)	-	(43,079)
	<b>(18,079)</b>	-	<b>(18,079)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Financial liabilities:</b>			
(i.) Borrowings	-	-	-
(ii.) Trade payables	14,780	-	14,780
Other current liabilities	37,361	-	37,361
	<b>52,141</b>	-	<b>52,141</b>
<b>TOTAL</b>	<b>34,062</b>	-	<b>34,062</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (b) Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS as at the date of transition on 31 March 2021

Particulars	(Amounts in €)		
	IGAAP	Effects of transition	Ind AS
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	-	-	-
<b>Financial assets:</b>			
(i.) Other financial assets	-	-	-
Deferred Tax assets (net)	-	-	-
Income tax assets (net)	-	-	-
	-	-	-
<b>Current assets</b>			
<b>Financial assets:</b>			
(i.) Trade receivables	85,867	-	85,867
(ii.) Cash and cash equivalents	77,877	-	77,877
(iii.) Loans	8,040	-	8,040
Other current assets	-	-	-
	<b>171,783</b>	-	<b>171,783</b>
<b>TOTAL</b>	<b>171,783</b>	-	<b>171,783</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	25,000	-	25,000
Other equity	(35,887)	-	(35,887)
	<b>(10,887)</b>	-	<b>(10,887)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Financial liabilities:</b>			
(i.) Borrowings	50,583	-	50,583
(ii.) Trade payables	93,940	-	93,940
Other current liabilities	54,903	-	54,903
	<b>199,426</b>	-	<b>199,426</b>
<b>TOTAL</b>	<b>188,539</b>	-	<b>188,539</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	(Amounts in €)		
	IGAAP	Effects of transition	Ind AS
Revenue from Operations	254,081	-	254,081
	<b>254,081</b>	<b>-</b>	<b>254,081</b>
<b>EXPENSES</b>			
Employee benefit expense	137,437	-	137,437
Finance cost	583	-	583
Other expenses	108,869	-	108,869
	<b>246,889</b>	<b>-</b>	<b>246,889</b>
<b>Profit before tax for the year</b>	<b>7,192</b>	<b>-</b>	<b>7,192</b>
<b>Tax expense for the year</b>			
Current Tax	-	-	-
Deferred Tax Expense/(Income)	-	-	-
Earlier year tax	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit after tax for the year</b>	<b>7,192</b>	<b>-</b>	<b>7,192</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will be reclassified to profit or loss statement</i>	-	-	-
Exchange difference in translating the financial statements of foreign operations	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>7,192</b>	<b>-</b>	<b>7,192</b>

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

Particulars	As at	As at
	31 March 2021	01 April 2020
	(Amounts in €)	(Amounts in €)
<b>Total equity (shareholder's funds) as per previous GAAP</b>	<b>(10,887)</b>	<b>(18,079)</b>
<b>Adjustments:</b>		
Recognition of financial assets/liabilities at amortised cost- Security deposit	-	-
Depreciation and amortization- ROUA	-	-
Rent expenses debited to profit and loss under IGAAP	-	-
Exchange difference in translating the financial statements of foreign operations	-	-
Tax effect on Lease liabilities	-	-
<b>Total adjustments</b>	<b>-</b>	<b>-</b>
<b>Total equity as per Ind AS</b>	<b>(10,887)</b>	<b>(18,079)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31 March 2021 (Amounts in €)
<b>Profit after tax as per previous GAAP</b>	<b>7,192</b>
<b>Adjustments:</b>	
Depreciation and amortization- ROUA	-
Rent expenses debited to profit and loss under IGAAP	-
Recognition of financial assets/liabilities at amortised cost- Security deposit	-
Tax effect on Lease liabilities	-
<b>Total adjustments</b>	<b>-</b>
<b>Profit after tax as per Ind AS</b>	<b>7,192</b>
<b>Other comprehensive income:</b>	
Exchange difference in translating the financial statements of foreign operations	-
<b>Total comprehensive income as per Ind AS</b>	<b>7,192</b>

### (f) Impact of transition from IGAAP to Ind-AS on the cash flows of the Company are as under:

Particulars	(Amounts in €)		
	IGAAP	Effects of transition	Ind AS
Cash from operating activities	14,100	-	14,100
Cash from investing activities	-	-	-
Cash from financing activities	50,000	-	50,000

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (A) Exemptions applied:

#### **Voluntary Exemptions:**

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

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

#### **Mandatory Exemptions:**

##### **2. Use of estimates**

The entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with Indian GAAP.

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

##### **1. Lease liability & Right of use asset**

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

##### **2. Exchange difference in translating the financial statements of foreign operations**

The impact of foreign currency translation difference were directly accounted under reserves and surplus under previous GAAP in separate Foreign Currency Translation Reserve account (FCTR). However, pursuant to Ind AS the company has the option to adopt opening value of FCTR as Nil, accordingly on first time adoption existing FCTR were transferred to retained earnings. The Exchange differences on translation of foreign operations arising subsequent to date of transition are recorded in other comprehensive income.

##### **3. Other Equity**

Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for the items mentioned in note B(1) and B(2).

##### **4. Others**

- The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.
- Adjustments pursuant to adoption of Ind AS which were not material have not been considered.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NON CURRENT ASSETS

### 2 OTHER FINANCIAL ASSETS

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
Security Deposits			
- Rent Deposit	750	-	-
	750	-	-

## CURRENT ASSETS

### 3 TRADE RECEIVABLES

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
<i>(Unsecured)</i>			
Trade Receivables considered good	32,900	85,867	10,100
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Less: Allowances for bad and doubtful trade receivables	-	-	-
	32,900	85,867	10,100
<b>3.1 Includes due from related parties as given below:</b>			
PathPartner Technology Private Limited, India	32,900	51,300	10,100

#### Trade receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31 March 2022</b>							
Undisputed trade receivables - considered good	-	32,900	-	-	-	-	32,900
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>As on 31 March 2021</b>							
Undisputed trade receivables - considered good	-	85,867	-	-	-	-	85,867
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>As on 1 April 2020</b>							
Undisputed trade receivables - considered good	-	10,100	-	-	-	-	10,100
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 4 CASH AND CASH EQUIVALENTS

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
Balances with banks in current accounts	68,821	77,877	13,777
	<b>68,821</b>	<b>77,877</b>	<b>13,777</b>

### 5 LOANS

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
<b>Others</b>			
Input tax credit of value added tax	-	-	185
Advance to employee (refer note 16)	-	8,040	-
	<b>-</b>	<b>8,040</b>	<b>185</b>

### 6 OTHER CURRENT ASSETS

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
Prepaid Expenses	211	-	-
	<b>211</b>	<b>-</b>	<b>-</b>

## SHAREHOLDER'S FUNDS

### 7 Equity share capital

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
<b>7.1 Authorised share capital :-</b>			
25,000 shares (Previous year : 25,000) of Euro 1 each	25,000	25,000	25,000
<b>7.2 Issued, Subscribed and Fully Paid Up Share Capital:-</b>			
25,000 shares (Previous year : 25,000) of Euro 1 each	25,000	25,000	25,000

#### 7.3 Notes on Share Capital:

(i.) There are no shares that have been issued, subscribed and not fully paid up.

(ii.) There are no unpaid calls, forfeited shares.

#### (iii) The reconciliation of the number of Equity Shares outstanding:

The number of shares outstanding as at the balance sheet date were 25,000 equity shares of Euro 1 each ( Previous Year: 25,000 equity shares of Euro 1 each). There was no change in shareholding during the year and immediately preceding financial year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv.) Details of shareholders having holding more than 5% shares in the company:

Shareholder	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	Share holding (No's)	Share holding (%)	Share holding (No's)	Share holding (%)	Share holding (No's)	Share holding (%)
PathPartner Technology Private Limited, India	25,000	100.00%	25,000	100.00%	25,000	100.00%

(v.) The Company has not issued any securities convertible into equity / preference shares.

(vi.) Rights / Restrictions attached with the shares:

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

(vii.) The Company has not declared and paid dividends during the year.

### 8 OTHER EQUITY

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
<b>8.1 Retained earnings</b>			
As at the beginning of the year	(35,887)	(43,079)	(58,428)
(Loss)/Gain for the year	(25,546)	7,192	15,349
As at the end of the year	<b>(61,434)</b>	<b>(35,887)</b>	<b>(43,079)</b>
<b>Balance in Other Equity at the end of the year</b>	<b>(61,434)</b>	<b>(35,887)</b>	<b>(43,079)</b>

### CURRENT LIABILITIES

#### 9 BORROWINGS

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
Loan from holding company including interest accrued	54,201	50,583	-
	<b>54,201</b>	<b>50,583</b>	<b>-</b>

#### 9.1 Loan from holding company :

The share holders loan from PathPartner Technology Private Limited, India, the holding company for EURO 50,000 is to meet the fund requirements of the company and is repayable within 420 days from the date of remittance and carry an interest rate of 7 per cent per annum. The said loan which was initially proposed to be converted into shares/securities, but now expected to be repaid along with applicable interest and accordingly reclassified as current.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 10 TRADE PAYABLES

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
Due to related parties	-	72,874	8,200
Dues of creditors other than related parties	40,194	21,066	6,580
	<b>40,194</b>	<b>93,940</b>	<b>14,780</b>
<b>10.1 Dues to related parties represents payables to;</b>			
PathPartner Technology Private Limited, India	-	72,874	8,200

#### Trade payables ageing schedule

Particulars	Unbilled/Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31 March 2022</b>						
Undisputed dues	-	32,272	7,922	-	-	40,194
<b>As on 31 March 2021</b>						
Undisputed dues	-	93,930	10	-	-	93,940
<b>As on 1 April 2020</b>						
Undisputed dues	-	11,776	3,004	-	-	14,780

### 11 OTHER CURRENT LIABILITIES

	Amount in €		
	31 March 2022	31 March 2021	1 April 2020
Due to employees	2,413	55	30
Statutory dues	6,701	19,243	1,726
Other payables to holding company	35,606	35,605	35,605
	<b>44,720</b>	<b>54,903</b>	<b>37,361</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12 REVENUE FROM OPERATIONS

	Amount in €	
	31 March 2022	31 March 2021
Sales and marketing service fee	164,700	162,300
Software development services	-	91,781
	<b>164,700</b>	<b>254,081</b>

### 13 EMPLOYEE BENEFIT EXPENSE

	Amount in €	
	31 March 2022	31 March 2021
Salaries including commission	108,812	108,136
Contribution to social security	29,483	28,196
Staff welfare expenses	904	1,105
	<b>139,199</b>	<b>137,437</b>

### 14 FINANCE COSTS

	Amount in €	
	31 March 2022	31 March 2021
Interest on loan from holding company	3,618	583
	<b>3,618</b>	<b>583</b>

### 15 OTHER EXPENSES

	Amount in €	
	31 March 2022	31 March 2021
Consultancy charges	41,051	97,533
Subscription fees	254	128
Communication expenses	1,428	921
Office expenses	122	56
Insurance	45	164
Business promotion expenses	16	12
Rates & taxes	35	1,764
Rent	2,334	4,685
Travel and conveyance	1,284	3,223
Bank charges	783	277
Miscellaneous expenses	57	106
	<b>47,429</b>	<b>108,869</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 16 Related Party Disclosures:

#### 16.1 Names of related parties and description of relationship as identified and certified by the Company:

Nature of relationship	Name of the Related Party
Ultimate Holding Company	KPIT Technologies Limited
Holding Company	PathPartner Technology Private Limited, India
Fellow Subsidiary	PathPartner Technology Inc, USA
Key Managerial Personnel	Girish C Sabat, Director
Key Managerial Personnel	Dipanjana Ghosh, Director
Key Managerial Personnel	Ajay Basarur, Managing Director

#### 16.2 Related Party Transactions:

The nature and volume of transactions during the year with the related parties are given below:

Nature of transactions	Name of the Related Party	31 March 2022 (€)	31 March 2021 (€)
Loan (availed)	Pathpartner Technology Private Limited, India	-	50,000
Interest on loan (accrual)	Pathpartner Technology Private Limited, India	3,618	583
Sales and marketing fee (Revenue)	Pathpartner Technology Private Limited, India	164,700	162,300
Consultancy charges (expenses)	Pathpartner Technology Private Limited, India	-	75,260
Advances received and adjusted towards services rendered during the year	Pathpartner Technology Private Limited, India	-	15,000
Salary including commission	Ajay Basarur	144,856	108,136
Social security	Ajay Basarur	29,483	28,196
Salary advance given	Ajay Basarur	-	10,040
Reimbursement of expenses	Ajay Basarur	184	492

#### 16.3 Balance outstanding at the year end:

Particulars	Name of the Related Party	31 March 2022 (€)	31 March 2021 (€)
Loan payable including interest	Pathpartner Technology Private Limited, India	54,201	50,583
Trade receivables including unbilled revenue*	Pathpartner Technology Private Limited, India	32,900	61,600
Trade payable (including accrual)	Pathpartner Technology Private Limited, India	-	72,874
Other payable - Reimbursements	Pathpartner Technology Private Limited, India	35,606	35,605
Due to employees	Ajay Basarur	-	55
Advance to employees	Ajay Basarur	-	8,040

\*Includes unbilled revenue - 10,300

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 17 Taxation

Current tax expense for the year is measured at the amount expected to be paid to the local tax authorities after considering available benefits and deductions in accordance with the tax laws prevalent in Germany. In view of brought forward losses no provision is made towards tax expenses during the year.

### 18 Earnings per share

Particulars	31 March 2022 (€)	31 March 2021 (€)
Net profit after tax for the year	(25,546)	7,192
Weighted average number of equity shares outstanding	25,000	25,000
Basic earnings per share	(1.02)	0.29
Weighted average number of equity shares outstanding after dilutive effect	25,000	25,000
Diluted earnings per share	(1.02)	0.29

**19** The previous year's amounts have been regrouped/ reclassified wherever necessary to correspond with the current year's classifications/ disclosures. Amounts for the corresponding previous year are for the period from 01 April 2020 to 31 March 2021.

(Signatures to Note 1-19)

For and on behalf of Board of Directors of  
**PathPartner Technology GmbH, Germany**

**Ajay Basarur**  
Managing Director

**Girish C Sabat**  
Director

Place: Frankfurt  
Date : 22 April 2022

Place: Bengaluru  
Date : 22 April 2022

**PathPartner Technology Inc.**

Registered Office: 48834 Kato Road, Suite 115A, Fremont, CA 94538, USA

**BOARD'S REPORT**

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2022.

**Financial Results**

Particulars	2021-22	2020-21
	USD	USD
Total Income	4,189,859	3,444,272
Net Profit / (Loss) after tax for the year	383,412	122,128

The total income of the Company during the FY 2021-22 has increased by 21.65% as compared to previous year and the Company has witnessed remarkable increase in profits.

**Directors**

During the year under review, Mr. Tushar Anil Dave and Mr. Bhupendra Shah have resigned from the board as Directors of the company. Mr. Rajeev Kulkarni was appointed as a Director of the Company with effect from January 27, 2022.

**Audit**

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company.

For and on behalf of the Board of Directors,  
**PathPartner Technology, Inc.**

Bengaluru  
April 21, 2022

**Tushar Kanti Adhikary**  
Director

# BALANCE SHEET

Particulars	Note No.	(Amounts in USD)		
		As at		
		31 March 2022	31 March 2021	1 April 2020
<b>ASSETS</b>				
<b>Non-Current assets</b>				
Property, plant and equipment	2	3,286	5,657	7,005
Right-of-use assets	3	39,265	68,709	-
<b>Financial assets:</b>				
(i.) Other financial assets	4	3,121	18,059	18,206
Deferred Tax assets (net)	5	701	529	-
Income tax assets (net)	6	24,881	3,504	6,214
		<b>71,254</b>	<b>96,459</b>	<b>31,425</b>
<b>Current assets</b>				
<b>Financial assets:</b>				
(i.) Trade receivables	7			
-Billed		486,138	515,750	322,903
-Unbilled		9,807	-	-
(ii.) Cash and cash equivalents	8	491,893	277,511	173,056
Other Current assets	9	1,313	-	-
		<b>989,151</b>	<b>793,261</b>	<b>495,959</b>
<b>Total assets</b>		<b>1,060,405</b>	<b>889,720</b>	<b>527,384</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	11	50,000	50,000	50,000
Other Equity	12	621,048	237,637	115,510
		<b>671,048</b>	<b>287,637</b>	<b>165,510</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities:</b>				
(i.) Lease liabilities	3	10,785	39,451	-
(ii.) Long-Term Borrowings	13	-	266,705	-
		<b>10,785</b>	<b>306,156</b>	<b>-</b>
<b>Current Liabilities</b>				
<b>Financial liabilities:</b>				
(i.) Lease liabilities	3	30,904	31,050	-
(ii.) Trade payables	14	223,873	188,254	274,742
Other current liabilities	15	82,098	52,045	87,132
Provisions	16	41,696	24,577	-
		<b>378,572</b>	<b>295,927</b>	<b>361,874</b>
<b>Total Equity and Liabilities</b>		<b>1,060,405</b>	<b>889,720</b>	<b>527,384</b>

The accompanying notes from 1-25 form an integral part of the financial statements

For and on behalf of Board of Directors of;  
**PathPartner Technology Inc, USA**

**TUSHAR K ADHIKARY**  
 Director

Place: Bengaluru  
 Date: 22 April 2022

**RAMKISHOR KORADA**  
 Director

Place: California, USA  
 Date: 22 April 2022

## STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	(Amounts in USD)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Operations	17	4,189,798	3,444,222
Other Income	18	61	51
		<b>4,189,859</b>	<b>3,444,272</b>
<b>EXPENSES</b>			
Employee benefits expense	19	1,524,948	1,489,510
Finance costs	20	2,239	4,721
Depreciation and amortization expense	2,3	34,795	28,431
Other expenses	21	2,440,277	1,773,219
		<b>4,002,259</b>	<b>3,295,882</b>
<b>Profit before exceptional item and tax for the year/period</b>		<b>187,601</b>	<b>148,390</b>
Exceptional item - Waiver of loan under Paycheck Protection Porgram (Refer Note 13.1)		266,705	-
<b>Profit before tax for the year/period</b>		<b>454,306</b>	<b>148,390</b>
<b>Tax expense for the year/period</b>			
Current Tax		71,066	26,792
Deferred Tax Expense/(Income)		(172)	(529)
		<b>70,894</b>	<b>26,263</b>
<b>Profit after tax for the year/period</b>		<b>383,412</b>	<b>122,128</b>
<b>Other comprehensive income (OCI)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year/period</b>		<b>383,412</b>	<b>122,128</b>
<b>Earning per equity share</b>	23		
Basic & Diluted		766.82	244.26
Number of Shares outstanding		500	500

The accompanying notes from 1-25 form an integral part of the financial statements

For and on behalf of Board of Directors of;

**PathPartner Technology Inc, USA**

**TUSHAR K ADHIKARY**  
Director

**RAMKISHOR KORADA**  
Director

Place: Bengaluru

Place: California, USA

Date: 22 April 2022

Date: 22 April 2022

# STATEMENT OF CASH FLOWS

Particulars	(Amounts in USD)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Cash flow from operating activities :</b>		
<b>Net profit for the year</b>	<b>454,306</b>	<b>148,390</b>
<b>Adjustments for :</b>		
- Depreciation	34,795	28,431
- Finance cost	2,239	4,671
- Loan from Government waived-off	(266,705)	-
<b>Operating Profit before Working Capital Changes</b>	<b>224,635</b>	<b>181,492</b>
<b>Adjustments for changes in working capital:</b>		
- Trade receivables	19,805	(192,847)
- Other financial assets	14,939	-
- Other Current assets	(1,313)	-
- Trade payables	35,619	(73,197)
- Other Liabilities	30,053	(47,882)
- Provisions	41,696	-
<b>Cash generated from operations</b>	<b>365,433</b>	<b>(132,434)</b>
Less: Taxes paid (net off refunds)	(117,020)	-
<b>Net cash from operating activities</b>	<b>248,413</b>	<b>(132,434)</b>
<b>B. Cash flow from investing activities :</b>		
- Purchase of property, plant and equipment	(2,979)	(2,544)
<b>Net Cash used in investing activities</b>	<b>(2,979)</b>	<b>(2,544)</b>
<b>C. Cash flow from financing activities</b>		
- Loan from Federal Government of U.S.A	-	264,679
- Lease Payments	(31,052)	(25,246)
	<b>(31,052)</b>	<b>239,433</b>
<b>Changes in cash and cash equivalents (A+B+C)</b>	<b>214,382</b>	<b>104,455</b>
<b>Cash and cash equivalents</b>		
At the beginning of the year/period	277,511	173,056
At the end of the year/period	<b>491,893</b>	<b>277,511</b>
<b>Reconciliation of Cash and cash equivalents with the financial Statements:</b>		
<b>Cash and bank balances - Refer Note No. 8</b>	<b>491,893</b>	<b>277,511</b>

The accompanying notes from 1-25 form an integral part of the financial statements

For and on behalf of Board of Directors of;

**PathPartner Technology Inc, USA**

**TUSHAR K ADHIKARY**

Director

**RAMKISHOR KORADA**

Director

Place: Bengaluru

Date: 22 April 2022

Place: California, USA

Date: 22 April 2022

## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

Amount in USD

Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
50,000	-	-	-	50,000

  

Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
50,000	-	-	-	50,000

### B. Other equity

Particulars	Reserves & surplus		Total
	Retained earnings		
	Amount in USD	Amount in USD	
<b>Balance as at 1 April 2020</b>	<b>115,509</b>	<b>115,509</b>	
Profit for the year	122,128	122,128	
Adjustments for the year	-	-	
<b>Balance as at 31 March 2021</b>	<b>237,637</b>	<b>237,637</b>	
Profit for the year	383,412	383,412	
Adjustments for the period	-	-	
<b>Balance as at 31 March 2022</b>	<b>621,048</b>	<b>621,048</b>	

The accompanying notes from 1-25 form an integral part of the financial statements

For and on behalf of Board of Directors of;

**PathPartner Technology Inc, USA**

**TUSHAR K ADHIKARY**

Director

**RAMKISHOR KORADA**

Director

Place: Bengaluru

Date: 22 April 2022

Place: California, USA

Date: 22 April 2022

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### I CORPORATE INFORMATION

PathPartner Technology Inc (“the Company”) incorporated on 20th July, 2010 and having its registered office at California, USA, is a wholly owned subsidiary of PathPartner Technology Private Limited. The Company is predominantly engaged in the business of development of embedded multimedia solutions and conducts research activities in the field of embedded multimedia and related services and marketing support / consultancy services to its holding company.

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

### II SIGNIFICANT ACCOUNTING POLICIES

#### (a.) Basis and purpose of preparation of financial statements

The parent company and its shareholders have entered into business transfer agreement with KPIT Technologies Limited. These financial statements have been prepared for the purpose of including the same in consolidated financial statements of the Ultimate Holding Company prepared in accordance with the Indian Accounting Standards (“Ind-AS”) as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. These financial statements comprises of Balance sheet, Profit and Loss Statement, Statement of changes in Equity, Cash Flow Statement and notes.

The united states Dollar(USD) is the functional currency of the Company.

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

#### (b.) Use of Estimates

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

#### (c.) Cash Flow Statement

Cash Flow statement is prepared in accordance with Ind AS-7, Cash Flow Statement, specified under the Companies Act 2013 using the indirect method to determine cash flows from operating activities. The cash flows of the company are segregated into operating, investing and financing activities. Cash & cash equivalents for the purpose of cash flow statement comprise of cash in hand, demand deposit placed with banks and term deposit with banks (with an original maturity of three months or less).

#### (d.) Revenue recognition

Revenue from software development services and marketing support service are recognised as and when the services are rendered as per the terms of contract with customers and when there is no uncertainty as to its ultimate recovery.

Revenue in excess of billings on service contracts is recorded as ‘unbilled revenue’ and is included under ‘other current assets’. Billing in excess of revenue is recorded as ‘income invoiced but not accrued’ and is included under ‘Current Liabilities’.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (e.) Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are stated at the cost of acquisition, less accumulated depreciation. Direct costs specifically attributable to the acquisition and installation of Property, Plant and Equipment like freight and other costs are capitalised till the assets are ready to be put to use.

#### Depreciation

Depreciation is provided on straight line method over the useful lives of the Property, Plant and Equipment as estimated by the management. The estimated useful lives of Property, Plant and Equipment are as under;

Nature of Fixed Asset	Estimated useful life (in months)
Computers including servers	60
Testing Equipments	84
Office Equipments	84
Furniture & Fixtures	84

### (f.) Intangible Assets and Amortisation

Computer software giving rise to future economic benefits is recognized as intangible assets and are stated at cost of acquisition less accumulated amortization.

Computer software with finite lives are amortized over the estimated useful economic life of 36 months over which the future economic benefits are expected.

### (g.) Impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Profit and Loss Statement to the extent the carrying amount exceeds the recoverable amount.

### (h.) Foreign Currency transactions

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet. Exchange differences arising on settlement of foreign currency transactions and balances restated are recognized as income or expense in the Profit and Loss Statement.

### (i.) Employee Benefits

#### Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc. and are recognised as expense in the period in which the employee renders the related service.

### (j.) Government Grant

Government grants are assistance by government in cash or kind to the company for past or future compliance with certain conditions. Government grants are recognised only when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grants will be received.

### (k.) Taxes On Income

Tax expense comprising current tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined on tax payable method in respect of taxable income as computed under the tax laws taking into account various adjustments, reliefs and concessions as may be available to the company. Certain items of income and expenditure are not reported in tax returns and financial statements in the same year. The net tax effect calculated at the current enacted tax rates of this

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

timing difference as also that relating to carried forward unabsorbed depreciation and business loss subject to satisfaction of virtual certainty test as at the end of an accounting year is reported as deferred income tax asset/ liability. The effect on deferred tax assets and liabilities due to change from such assets/ liabilities as at the end of previous accounting year and due to a change in tax rates are recognized in the income statement of the year.

### (l.) Leases

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

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

### (m.) Provisions & Contingencies

Provisions for the losses and contingencies arising as a result of a past event, where the management considers it possible that a liability may be incurred which may result in outflow of resources on a future date, are made on the basis of the best reliable estimates of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### (n.) Earnings Per Share

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For Calculating the Diluted EPS, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**III. Effect/ Adjustments pursuant to adoption of Ind AS:****(a) Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS as at the date of transition on 01 April 2020**

Particulars	Note No.	(Amounts in USD)		
		IGAAP	Effects of transition	Ind AS
<b>ASSETS</b>				
<b>Non-Current assets</b>				
Property, plant and equipment	A(1)	7,005	-	7,005
<b>Financial assets:</b>				
(i.) Other financial assets		18,206	-	18,206
Income tax assets (net)		6,214	-	6,214
		<b>31,425</b>	<b>-</b>	<b>31,425</b>
<b>Current assets</b>				
<b>Financial assets:</b>				
(i.) Trade receivables		322,903	-	322,903
(ii.) Cash and cash equivalents		173,056	-	173,056
		<b>495,959</b>	<b>-</b>	<b>495,959</b>
<b>TOTAL</b>		<b>527,384</b>	<b>-</b>	<b>527,384</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		50,000	-	50,000
Other equity	B(2)	115,510	-	115,510
		<b>165,510</b>	<b>-</b>	<b>165,510</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Financial liabilities:</b>				
(i.) Trade payables				
- Dues of micro enterprises and small enterprises				
- Dues of creditors other than micro enterprises and small enterprises		274,742	-	274,742
Other current liabilities		87,132	-	87,132
Provisions		-	-	-
		<b>361,874</b>	<b>-</b>	<b>361,874</b>
<b>TOTAL</b>		<b>527,384</b>	<b>-</b>	<b>527,384</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (b) Reconciliation of Balance sheet as previously reported under IGAAP to Ind AS as at the date of transition on 31 March 2021

Particulars	Note No.	(Amounts in USD)		
		IGAAP	Effects of transition	Ind AS
<b>ASSETS</b>				
<b>Non-Current assets</b>				
Property, plant and equipment	B(1)	5,657	-	5,657
Right-of-use assets	B(1)	-	68,709	68,709
<b>Financial assets:</b>				
(i.) Other financial assets	B(1)	18,206	(146)	18,059
Deferred Tax assets (net)	B(1)	-	529	529
Income tax assets (net)		3,504	-	3,504
		<b>27,367</b>	<b>69,092</b>	<b>96,459</b>
<b>Current assets</b>				
<b>Financial assets:</b>				
(i.) Trade receivables		515,750	-	515,750
(ii.) Cash and cash equivalents		277,511	-	277,511
		<b>793,261</b>	<b>-</b>	<b>793,261</b>
<b>TOTAL</b>		<b>820,628</b>	<b>69,092</b>	<b>889,720</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		50,000	-	50,000
Other equity	B(2)/(3)	239,046	(1,410)	237,637
		<b>289,046</b>	<b>(1,410)</b>	<b>287,637</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities:</b>				
(i.) Lease liabilities	B(1)	-	39,451	39,451
(ii.) Long-Term Borrowings		266,705	-	266,705
		<b>266,705</b>	<b>39,451</b>	<b>306,156</b>
<b>Current Liabilities</b>				
<b>Financial liabilities:</b>				
(i.) Lease liabilities	B(1)	-	31,050	31,050
(i.) Trade payables				
- Dues of micro enterprises and small enterprises				
- Dues of creditors other than micro enterprises and small enterprises		188,254	-	188,254
Other current liabilities		52,045	-	52,045
Provisions		24,577	-	24,577
		<b>264,877</b>	<b>-</b>	<b>264,877</b>
<b>TOTAL</b>		<b>820,628</b>	<b>69,092</b>	<b>889,720</b>

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

Particulars	Notes	(Amounts in USD)		
		IGAAP	Effects of transition	Ind AS
Revenue from Operations		3,444,222	-	3,444,222
Other Income		-	51	51
		<b>3,444,222</b>	<b>51</b>	<b>3,444,272</b>
<b>EXPENSES</b>				
Employee benefit expense		1,489,510	-	1,489,510
Finance cost	B(1)	2,025	2,696	4,721
Depreciation and amortization expense	B(1)	3,892	24,539	28,431
Other expenses	B(1)	1,798,465	(25,246)	1,773,219
		<b>3,293,892</b>	<b>1,989</b>	<b>3,295,882</b>
<b>Profit before tax for the year</b>		<b>150,329</b>	<b>(1,939)</b>	<b>148,390</b>
<b>Tax expense for the year</b>				
Current Tax		26,792	-	26,792
Deferred Tax Expense/(Income)	B(1)	-	(529)	(529)
Earlier year tax		-	-	-
		26,792	(529)	26,263
<b>Profit after tax for the year</b>		<b>123,537</b>	<b>(1,410)</b>	<b>122,128</b>
<b>Other comprehensive income (OCI)</b>				
<i>Items that will be reclassified to profit or loss statement</i>				
Exchange difference in translating the financial statements of foreign operations	B(2)	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>123,537</b>	<b>(1,410)</b>	<b>122,128</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	Notes	As at	As at
		31 March 2021	01 April 2020
		(Amounts in USD)	(Amounts in USD)
<b>Total equity (shareholder's funds) as per previous GAAP</b>		<b>289,046</b>	<b>165,510</b>
<b>Adjustments:</b>			
Recognition of financial assets/liabilities at amortised cost- Security deposit	B(1)	(2,646)	-
Depreciation and amortization- ROUA	B(1)	(24,539)	-
Rent expenses debited to profit and loss under IGAAP	B(1)	25,246	-
Exchange difference in translating the financial statements of foreign operations	B(2)	-	-
Tax effect on Lease liabilities	B(1)	529	-
<b>Total adjustments</b>		<b>(1,410)</b>	<b>-</b>
<b>Total equity as per Ind AS</b>		<b>287,637</b>	<b>165,510</b>

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

Particulars	Notes	As at
		31 March 2021
		(Amounts in USD)
<b>Profit after tax as per previous GAAP</b>		<b>123,537</b>
<b>Adjustments:</b>		
Depreciation and amortization- ROUA	B(1)	(24,539)
Rent expenses debited to profit and loss under IGAAP	B(1)	25,246
Recognition of financial assets/liabilities at amortised cost- Security deposit	B(1)	(2,646)
Tax effect on Lease liabilities	B(1)	529
<b>Total adjustments</b>		<b>(1,410)</b>
<b>Profit after tax as per Ind AS</b>		<b>122,128</b>
<b>Other comprehensive income:</b>		
Exchange difference in translating the financial statements of foreign operations	B(2)	-
<b>Total comprehensive income as per Ind AS</b>		<b>122,128</b>

### (f) Impact of transition from IGAAP to Ind-AS on the cash flows of the Company are as under:

Particulars	Amounts in USD		
	IGAAP	Effects of transition	Ind AS
Cash from operating activities	(157,681)	(25,247)	(132,434)
Cash from investing activities	(2,544)	-	(2,544)
Cash from financing activities	264,680	25,247	239,433

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

### (A) Exemptions applied:

#### Voluntary Exemptions:

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

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

#### Mandatory Exemptions:

##### 2. Use of estimates

The entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with Indian GAAP.

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

##### 1. Lease liability & Right of use asset

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

##### 2. Exchange difference in translating the financial statements of foreign operations

The impact of foreign currency translation difference were directly accounted under reserves and surplus under previous GAAP in separate Foreign Currency Translation Reserve account (FCTR). However, pursuant to Ind AS the company has the option to adopt opening value of FCTR as Nil, accordingly on first time adoption existing FCTR were transferred to retained earnings. The Exchange differences on translation of foreign operations arising subsequent to date of transition are recorded in other comprehensive income.

##### 3. Other Equity

Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for the items mentioned in note B(1) and B(2).

##### 4. Others

- The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.
- Adjustments pursuant to adoption of Ind AS which were not material have not been considered.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2 PROPERTY, PLANT & EQUIPMENT

(Amounts in USD)

Description	Computers	Testing Equipments	Furniture & Fixtures	Office Equipments	Grand total
<b>I. Gross carrying amount</b>					
Balance as of April 01, 2020	1,831	3,322	438	1,414	7,005
Additions during the year	2,544	-	-	-	2,544
Deletions during the year	-	-	-	-	-
<b>Balance as of March 31, 2021</b>	<b>4,375</b>	<b>3,322</b>	<b>438</b>	<b>1,414</b>	<b>9,549</b>
<b>II. Accumulated depreciation</b>					
Balance as at April 01, 2020	-	-	-	-	-
Depreciation during the year	1,703	1,588	438	163	3,892
Deletions during the year	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,703</b>	<b>1,588</b>	<b>438</b>	<b>163</b>	<b>3,892</b>
<b>III. Net Carrying amount (I-II)</b>	<b>2,672</b>	<b>1,734</b>	<b>-</b>	<b>1,251</b>	<b>5,657</b>
<hr/>					
Description	Computers	Testing Equipments	Furniture & Fixtures	Office Equipments	Grand total
<b>I. Gross carrying amount</b>					
Balance as of April 01, 2021	4,375	3,322	438	1,414	9,549
Additions during the period	2,324	-	655	-	2,979
Deletions during the period	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>6,699</b>	<b>3,322</b>	<b>1,093</b>	<b>1,414</b>	<b>12,529</b>
<b>II. Accumulated depreciation</b>					
Balance as at April 01, 2021	1,703	1,588	438	163	3,892
Depreciation during the period	2,610	1,506	655	580	5,351
Deletions during the period	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>4,313</b>	<b>3,094</b>	<b>1,093</b>	<b>743</b>	<b>9,243</b>
<b>III. Net Carrying amount (I-II)</b>	<b>2,386</b>	<b>228</b>	<b>0</b>	<b>671</b>	<b>3,286</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NON CURRENT ASSETS

#### 3 Right-of-use assets (ROUA)

Description	Building (Leasehold) (USD)
<b>I. Gross carrying amount</b>	
<b>Balance as of April 01, 2020</b>	-
Additions during the year	93,248
Deletions during the year	-
<b>Balance as of March 31, 2021</b>	<b>93,248</b>
<b>II. Accumulated depreciation</b>	
<b>Balance as at April 01, 2020</b>	-
Depreciation during the year	24,539
Deletions during the year	-
<b>Balance as at 31 March 2021</b>	<b>24,539</b>
<b>III. Net Carrying amount (I-II)</b>	<b>68,709</b>
<b>I. Gross carrying amount</b>	
<b>Balance as of April 01, 2021</b>	<b>93,248</b>
Additions during the period	-
Deletions during the period	-
Foreign Currency Translation adjustment	-
<b>Balance as at 31 March 2022</b>	<b>93,248</b>
<b>II. Accumulated depreciation</b>	
<b>Balance as at April 01, 2021</b>	<b>24,539</b>
Depreciation during the period	29,444
Deletions during the period	-
Foreign Currency Translation adjustment	-
<b>Balance as at 31 March 2022</b>	<b>53,983</b>
<b>III. Net Carrying amount (I-II)</b>	<b>39,265</b>

#### 3.1 Details of Lease obligation and lease repayments in respect of office premises are as under:

##### a. Break up of current and non-current lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount in USD	Amount in USD
Current lease liabilities	30,904	31,050
Non-current lease liabilities	10,785	39,451
<b>Total</b>	<b>41,689</b>	<b>70,501</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### b. Reconciliation of lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount in USD	Amount in USD
<b>Balance at the beginning of the period/ year</b>	<b>70,501</b>	<b>93,051</b>
Finance cost accrued on lease liabilities	2,240	2,696
Payment of lease liabilities	<b>31,052</b>	<b>25,246</b>
Foreign Currency Translation adjustment	-	-
<b>Balance at the end of the period/ year</b>	<b>41,689</b>	<b>70,501</b>

### c. Contractual maturities of lease liabilities on an undiscounted cash flows basis:

Particulars	As at 31 March 2022	As at 31 March 2021
	Amount in USD	Amount in USD
Not later than one year	31,984	31,052
Later than one year and not later than five years	10,874	42,858
Later than five years	-	-
<b>Total</b>	<b>42,858</b>	<b>73,910</b>

## 4 OTHER FINANCIAL ASSETS

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<i>(Unsecured, considered good unless otherwise stated)</i>			
<b>Security Deposits</b>			
Rent Deposit	3,121	3,059	3,206
Security deposits (Also, refer note 10)	-	15,000	15,000
	<b>3,121</b>	<b>18,059</b>	<b>18,206</b>

## 5 DEFERRED TAX ASSET

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
On account of timing differences on, Recognition of liabilities(net) on ROUA Assets	701	529	-
	<b>701</b>	<b>529</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 6 INCOME TAX ASSETS, NET

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advance tax (net of provision)	24,881	3,504	6,214
	<b>24,881</b>	<b>3,504</b>	<b>6,214</b>

### CURRENT ASSETS

#### 7 TRADE RECEIVABLES

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<i>(Unsecured)</i>			
Trade Receivables considered good	486,138	515,750	322,903
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Less: Allowances for bad and doubtful trade receivables	-	-	-
	<b>486,138</b>	<b>515,750</b>	<b>322,903</b>
<b>Includes dues from related parties as under;</b>			
PathPartner Technology Private Limited, India	59,667	157,529	71,140

#### Trade receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31 March 2022</b>							
Undisputed trade receivables - considered good	-	486,138	-	-	-	-	486,138
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>As on 31 March 2021</b>							
Undisputed trade receivables - considered good	-	490,561	-	25,189	-	-	515,750
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>As on 1 April 2020</b>							
Undisputed trade receivables - considered good	-	297,714	25,189	-	-	-	322,903
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 8 CASH AND CASH EQUIVALENTS

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Balances with banks held in current accounts	491,893	277,511	173,056
	<b>491,893</b>	<b>277,511</b>	<b>173,056</b>

### 9 OTHER CURRENT ASSETS

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Prepaid Expenses	1,313	-	-
	<b>1,313</b>	<b>-</b>	<b>-</b>

### 10 Contingent liability

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Contingent liability (not acknowledge as debt)	-	78,780	78,780

The Company has provided guarantee on behalf of PathPartner Technology India Private Limited, the Holding Company, to a customer of that Company with respect to an equipment taken on loan basis for testing purpose by the holding Company. The Company has also given security deposit of Nil (previous year: 15,000) in this regard. This has been recovered and closed during the period.

### 11 SHARE CAPITAL

#### 11.1 Equity Share Capital

	(Amount in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>(a) Authorised Share Capital :-</b>			
5,000,000 (31 March 2021: 5,000,000) shares of USD 0.01 each	50,000	50,000	50,000
<b>(b) Issued, Subscribed and Fully Paid Up Share Capital:-</b>			
5,000,000 (31 March 2021: 5,000,000) shares of USD 0.01 each	50,000	50,000	50,000

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 11.2 Notes on Share Capital:

(a) There are no shares that have been issued, subscribed and not fully paid up.

(b) There are no unpaid calls, forfeited shares.

(c) **The reconciliation of the number of Equity Shares outstanding:**

Equity shares outstanding as at the balance sheet date was 5,000,000 (31 March 2021: 5,000,000) shares of USD 0.01 each.

(d) **Details of shareholders having holding more than 5% shares in the company:**

Name of the shareholder	As at 31 March 2022		As at 31 March 2021		As at 01 April 2020	
	Share holding (No's)	Share holding (%)	Share holding (No's)	Share holding (%)	Share holding (No's)	Share holding (%)
PathPartner Technology Private Limited, India	5,000,000	100.00%	5,000,000	100.00%	5,000,000	100.00%

(e) The Company has not issued any securities convertible into equity/ preference shares.

(f) **Rights / Restrictions attached with the shares:**

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

(g) **During any of the last five years ending as at the balance sheet date:**

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

(ii.) No shares were allotted as fully paid up by way of bonus shares.

(iii.) No shares were bought back.

(h) The Company has not declared and paid dividends during the year.

## 12 OTHER EQUITY

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Retained earnings</b>			
As at the beginning of the year	237,637	115,509	146,575
(Loss)/Gain for the year	383,412	122,128	(31,065)
	<b>621,048</b>	<b>237,637</b>	<b>115,510</b>
	<b>621,048</b>	<b>237,637</b>	<b>115,510</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 13 Long-Term borrowings

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Loan from Federal Government of U.S.A (refer note 13.1 below)	-	266,705	-
	-	266,705	-

**13.1** Loan under Pay check Protection Program (PPP) established by the United States Federal Government through the Coronavirus Aid, Relief, and Economic Security Act is repayable over a tenure of 24 months and carries interest of 1% (fixed) per annum. The application made by the company for the waiver of the said loan was approved and waived during the period.

### 14 Trade Payables (Including accruals)

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Due to related parties (refer note below)	216,328	171,670	252,106
Dues of creditors other than related parties	7,545	16,584	22,637
	<b>223,873</b>	<b>188,254</b>	<b>274,742</b>
<b>Dues to related parties represents payables to;</b>			
PathPartner Technology Private Limited, India	216,328	171,670	252,106

#### Trade payables ageing schedule

Particulars	Unbilled/ Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31 March 2022</b>						
Undisputed dues	-	223,873	-	-	-	223,873
<b>As on 31 March 2021</b>						
Undisputed dues	-	188,254	-	-	-	188,254
<b>As on 1 April 2020</b>						
Undisputed dues	-	274,742	-	-	-	274,742

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 15 Other Current Liabilities

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Employee dues	49,842	13,103	41,282
Statutory dues	32,256	38,942	45,850
	<b>82,098</b>	<b>52,045</b>	<b>87,132</b>
<b>15.1 Employee dues includes payables to;</b>			
Ramkishor Korada, Director	16,314	9,132	15,815

### 16 Short-term Provision

	(Amounts in USD)		
	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Provision for taxation	-	24,577	-
<b>Provision for employee benefits;</b>			
Compensated Absences	41,696	-	-
	<b>41,696</b>	<b>24,577</b>	<b>-</b>

### 17 Revenue from Operations

	(Amounts in USD)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sale of services</b>		
Software Development Services	3,873,227	3,105,030
Sales and marketing support service	316,571	339,192
	<b>4,189,798</b>	<b>3,444,222</b>

### 18 Other Income

	(Amounts in USD)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on amortization of security deposit	61	51
	<b>61</b>	<b>51</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 19 Employee Benefit Expense

	(Amounts in USD)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	1,357,058	1,321,367
Social security and other benefit plans	59,350	71,866
Staff welfare expenses	108,540	96,277
	<b>1,524,948</b>	<b>1,489,510</b>

### 20 Finance Cost

	(Amounts in USD)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance Cost	2,239	4,721
	<b>2,239</b>	<b>4,721</b>

### 21 Other Expenses

	(Amounts in USD)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Consultancy charges	2,298,782	1,713,408
Professional fee	49,586	10,288
Power and fuel	1,780	1,921
Consumables & Accessories	1,352	2,262
Insurance	-	2,124
Travel & Conveyance	17,499	135
Membership & Subscriptions	2,177	3,796
Communication Expenses	12,704	8,447
Office Expenses	6,208	5,737
Business Promotion Expenses	6,628	276
Rates & Taxes	18,036	23,419
Bank Charges	136	1,406
Miscellaneous Expenses	25,389	-
	<b>2,440,277</b>	<b>1,773,219</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 22 Related Party Disclosures:

#### a. Names of related parties and description of relationship as identified and certified by the management of the company:

Nature of relationship	Name of the Related Party
Ultimate Holding Company	KPIT Technologies Limited
Holding Company	PathPartner Technology Private Limited, India
Fellow Subsidiary	PathPartner Technology, GmbH, Germany
Key Managerial Personal	Ramkishor Korada, Director
Key Managerial Personal	Tushar Kanti Adhikary, Director
Key Managerial Personal	Rajeev Ramesh Kulkarni

#### b. The nature and volume of transactions during the year with the related parties are as under:

Nature of transactions	Name of the Related Party	(Amounts in USD) For the period ended	
		31 March 2022	31 March 2021
Revenue - Software Development Services	Pathpartner Technology Private Limited, India	-	63,800
Revenue - Sales and marketing support service	Pathpartner Technology Private Limited, India	316,571	339,192
Expense- Consultancy Charges	Pathpartner Technology Private Limited, India	2,291,357	1,569,450
Expense paid on behalf of Company (Reimbursement)	Pathpartner Technology Private Limited, India	11,890	4,787
Salary including incentives	Ramkishor Korada	282,022	262,055
401(k) Retirement contribution	Ramkishor Korada	19,500	6,254
Expenses paid on behalf of company - Payable (Reimbursement)	Ramkishor Korada	14,210	3,336

#### c. Year-end balances due to/ due from related parties are as under:

Nature of transactions	Name of the Related Party	As at (Amounts in USD)	
		31 March 2022	31 March 2021
Trade receivable	Pathpartner Technology Private Limited, India	59,667	157,529
Trade payable	Pathpartner Technology Private Limited, India	208,612	171,670
Other Payable- Reimbursement	Pathpartner Technology Private Limited, India	7,716	4,787
Employee dues	Ramkishor Korada	-	8,453
Other Payable- Reimbursement	Ramkishor Korada	2,981	679
Guarantee given on behalf of Holding company	Pathpartner Technology Private Limited, India	-	78,780
Security deposit paid on behalf of the holding company	Pathpartner Technology Private Limited, India	-	15,000

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 23 Earnings per share

Particulars	(Amounts in USD)	
	31 March 2022	31 March 2021
Net Profit after tax for the period / year	383,412	122,128
Weighted Average number of equity shares outstanding	500	500
Basic / Diluted Earnings per share	766.82	244.26

### 24 Taxation

Current tax expense for the year is measured at the amount expected to be paid to the tax authorities after considering available benefits and deductions in accordance with the taxation laws prevalent in United States of America.

**25** The previous year's amounts have been regrouped/ reclassified wherever necessary to correspond with the current year's classifications/ disclosures.

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Signatures to Note 1-25

For and on behalf of Board of Directors of;

**PathPartner Technology Inc, USA**

**TUSHAR K ADHIKARY**

Director

**RAMKISHOR KORADA**

Director

Place: Bengaluru

Date: 22 April 2022

Place: California, USA

Date: 22 April 2022

**Reconciliation statement of Profit and Loss variance amount between  
Financial Statements as per country specific local GAAP disclosure in KPIT's Financial Statement of Subsidiaries  
2021-22**

and

**Subsidiary trial balance considered for Consolidated Financial Statements as per IND AS in KPIT's Annual Report .**

<b>Sr No</b>	<b>Name of Subsidiary</b>	<b>Currency</b>	<b>Amount</b>
<b>A</b>	<b>Wholly Owned Subsidiaries</b>		
<b>1</b>	<b>KPIT Technologies (UK) Limited (including branches)</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	GBP	179,574
B.	Profit / (Loss) as per United Kingdom specific local GAAP financial statement	GBP	198,539
C.	Variance Amount	GBP	<b>18,965</b>
	<b>Reconciliation :</b>		
1	Currency translation of Sweden and Italy branch Trial Balance considered in profit & loss in United Kingdom specific local GAAP financial statement	GBP	18,965
	<b>Total</b>	<b>GBP</b>	<b>18,965</b>
<b>2</b>	<b>KPIT (Shanghai) Software Technology Co. Limited, China</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	CNY	(775,198)
B.	Profit / (Loss) as per China specific local GAAP financial statement	CNY	(775,198)
C.	Variance Amount	CNY	-
<b>3</b>	<b>KPIT Technologies Netherlands B.V.</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	EUR	654,750
B.	Profit / (Loss) as per Netherlands specific local GAAP financial statement	EUR	654,750
C.	Variance Amount	EUR	-
<b>4</b>	<b>KPIT Technologies Pte. Limited, Singapore (applied for strike off)</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	SGD	10,588
B.	Profit / (Loss) as per Singapore specific local GAAP financial statement	SGD	10,588
C.	Variance Amount		-
<b>5</b>	<b>KPIT Technologias Ltda</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	BRL	239,373
B.	Profit / (Loss) as per Brazil specific local GAAP financial statement	BRL	239,373
C.	Variance Amount	BRL	-
<b>6</b>	<b>KPIT Technologies Holding Inc.</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	USD	1,992,600
B.	Profit / (Loss) as per Standalone Financial Statement - IND AS	USD	1,992,600
C.	Variance Amount	USD	-

Sr No	Name of Subsidiary	Currency	Amount
<b>7</b>	<b>KPIT Technologies Limited GK, Japan (including branch)</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	JPY	325,031,959
B.	Profit /( Loss) as per Japan specific local GAAP financial statement	JPY	324,536,733
C.	Variance Amount	JPY	<b>(495,225)</b>
<b>Reconciliation :</b>			
1	Impact of 'IND AS 19- Employee Benefits', cost relating to Leave accrual not considered in Japan specific local GAAP financial statement	JPY	(5,137,672)
2	Impact of 'IND AS 116 - Leases', cost relating to facility lease accounting not considered in Japan specific local GAAP financial statement	JPY	295,611
3	Impact of 'IND AS 109 Financial Instruments', fair valuation of trade deposit towards facility lease not considered in Japan specific local GAAP financial statement	JPY	(538,795)
4	Deferred tax impact on 1 & 2 above considered in Japan specific local GAAP financial statement	JPY	1,859,225
5	Currency translation of Korea branch Trial Balance considered in Japan specific local GAAP financial statement	JPY	3,026,406
	<b>Total</b>	<b>JPY</b>	<b>(495,225)</b>

**Note :**

Financial statements of PathPartner Technology Private Limited are prepared as per Indian Accounting Standards (IND AS)

**B Step Down Subsidiaries**

<b>1</b>	<b>KPIT Technologies GmbH, Germany</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	EUR	1,697,639
B.	Profit /( Loss) as per Germany specific local GAAP financial statement	EUR	7185,918
C.	Variance Amount	EUR	<b>5,488,279</b>
<b>Reconciliation :</b>			
1	Profit of 'MicroFuzzy Industrie-Elektronik GmbH' transferred as per Profit & Loss domination agreement between KPIT Technologies GmbH and MicroFuzzy Industrie-Elektronik GmbH, Germany.	EUR	4,699,993
2	Impact of 'IND AS 116 - Leases', cost relating to facility lease accounting not considered in Germany specific local GAAP financial statement	EUR	189,380
3	Derecognition of revenue in Germany specific local GAAP financial statement	EUR	(151,094)
4	Corporate Tax provision considered in Consolidated financial statement - IND AS	EUR	750,000
	<b>Total</b>	<b>EUR</b>	<b>5,488,279</b>

<b>Sr No</b>	<b>Name of Subsidiary</b>	<b>Currency</b>	<b>Amount</b>
<b>2</b>	<b>MicroFuzzy Industrie-Elektronic GmbH, Germany</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	EUR	4,833,973
B.	Profit /( Loss) as per Germany specific local GAAP financial statement	EUR	-
C.	Variance Amount	EUR	<b>(4,833,973)</b>
	<b>Reconciliation :</b>		
1	Profit of 'MicroFuzzy Industrie-Elektronic GmbH' transferred as per Profit & Loss domination agreement between KPIT Technologies GmbH and MicroFuzzy Industrie-Elektronic GmbH, Germany.	EUR	(4,699,993)
2	Impact of 'IND AS 116 - Leases', cost relating to facility lease accounting not considered in Germany specific local GAAP financial statement	EUR	8,885
3	Derecognition of revenue in Germany specific local GAAP financial statement	EUR	(137,741)
4	Impact of 'IND AS 109 Financial Instruments', fair valuation of trade deposit towards facility lease not considered in Germany specific local GAAP financial statement	EUR	(5,124)
	<b>Total</b>	<b>EUR</b>	<b>(4,833,973)</b>
<b>3</b>	<b>KPIT Technologies Inc.</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	USD	770,241
B.	Profit / (Loss) as per Standalone Financial Statement - IND AS	USD	770,241
C.	Variance Amount		-
<b>4</b>	<b>ThaiGer Tec Co., Ltd</b>		
A.	Profit / (Loss) as per Consolidated Financial Statement - IND AS	THB	7,657,300
B.	Profit /( Loss) as per Thailand specific local GAAP financial statement	THB	8,326,487
C.	Variance Amount	THB	<b>669,186</b>
	<b>Reconciliation :</b>		
1	Impact of 'IND AS 116 - Leases', cost relating to facility lease accounting not considered in Thailand specific local GAAP financial statement	THB	896,002
2	Impact of 'IND AS 109 Financial Instruments', fair valuation of trade deposit towards facility lease not considered in Thailand specific local GAAP financial statement	THB	(226,816)
	<b>Total</b>	<b>THB</b>	<b>669,186</b>

\*\* GAAP - Generally Accepted Accounting Principles

