SILICONCH SYSTEMS PRIVATE LIMITED
BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their 9th Report and Audited Accounts for the period ended 31st March 2025.

1. Financial Results / Financial Highlights

The Company's financial performance for the year ended March 31, 2025 is summarised below:

(Amount in INR in Thousands)

Particulars	Amount for the period ending March 31, 2025	Amount for the period ending March 31, 2024
Revenue from Operation	1,33,633	2,53,230
Other Income	904	1,606
Total Revenue	**1,34,537**	**2,54,836**
Total Expenditure before depreciation and amortization	1,96,680	2,09,595
Depreciation and amortization	57,590	57,366
Finance Cost	879	983
Total Expenses	**2,55,149**	**2,67,944**
Profit/ (Loss) before Tax	**(1,20,612)**	**(13,108)**
Tax Expenses		
Current Tax	-	-
Deferred Tax (Liability)/ Assets	(7,099)	(611)
Profit/ (Loss) for the year	**(1,13,513)**	**(12,497)**
Other Comprehensive Income	(2,291)	-
Total Comprehensive Profit/ (Loss) for the year	**(1,15,804)**	**(12,497)**

2. State of Company Affairs:

The revenue from operations and other income for the financial year under review were Rs. 1,33,633/- thousand as against Rs. 2,53,230 thousand for the previous financial year registering a decrease of 47%. The loss before tax was Rs.1,20,612 thousand for the financial year under review as against the loss before tax of Rs. 13,108 thousand for the previous financial year.

During the year under review, L&T Semiconductor Technologies Limited acquired the entire shareholding of the Company, making it its wholly owned subsidiary, effective from August 9, 2024.

3. **<u>Shifting of Registered Office of the Company:</u>**

The Board of Directors and the Shareholders of the Company, in their respective meetings held on January 15, 2025, and January 28, 2025, approved shifting of the Company's Registered Office from the State of Karnataka to the State of Maharashtra, within the jurisdiction of the Registrar of Companies, Mumbai, Maharashtra, subject to approval of the Regional Director, South East Region, Ministry of Corporate Affairs.

Regional Director, South East Region, Ministry of Corporate Affairs, vide its order dated April 4, 2025 has approved shifting of the Company's Registered Office from the State of Karnataka to the State of Maharashtra, within the jurisdiction of the Registrar of Companies, Mumbai.

Accordingly, the Company’s Registered Office is now situated at L&T House, Ballard Estate, Mumbai – 400001.

4. **<u>Capital & Finance:</u>**

During the year under review, the Company has not allotted any equity shares. The total equity share capital as on March 31, 2025, is Rs. 3,51,874.

5. **<u>Capital Expenditure:</u>**

As at 31st March 2025 the net fixed and intangible assets including leased assets, stood at Rs.1,37,300.67 thousand. There was no Capital Expenditure incurred during the year under review.

6. **<u>Deposits:</u>**

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

7. **<u>Particulars of loans given, investments made, guarantees given or security provided by the Company:</u>**

The Company has not given any loans, made any investments or given guarantees or provided any security during the period ended March 31, 2025, as specified under Section 186 of the Companies Act, 2013.

8. **<u>Particulars of Contracts or Arrangements with related parties:</u>**

All the related party transactions entered during FY 2024-25 were in the ordinary course of business and at arm’s length. The Board of Directors of the Company have approved all the related party transactions for the FY 2024-25 as required under the provisions of the Companies Act, 2013.

There are no materially significant related party transactions that may conflict with the interest of the company.

A Statement containing details of all material transactions/ contracts/ arrangements is attached as **Annexure I** to this report.

9. **Amount to be carried to general reserve:**

   The Company has not transferred any amount to general reserve during the current financial year.

10. **Dividend:**

    Considering the capital requirement for ongoing business expansion/internal restructuring, the Board of Directors do not recommend any dividend for the financial year under review.

11. **Material changes and commitments affecting the financial position of the company, between the end of the financial year and the date of the report:**

    There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of report.

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

    a. There are no specific initiatives for energy conservation. The operations of the Company are not highly energy intensive.
    b. No technology has been developed and/or imported by way of foreign collaboration.
    c. During the period ended March 31, 2025, the Company's foreign exchange earnings stood at Rs.1,63,993.60 thousand and foreign exchange outgo stood at Rs. 19,048.71 thousand.

13. **Details of Directors and Key Managerial Personnel appointed/resigned during the year:**

    The present Directors of the Company are Mr. Sandeep Kumar and Mr. Rahul Nilosey.

    Mr. Vishnu Mohan Pusuluri, Mr. Jaswanth Ammineni, Mr. Rakesh Polasa Kumar, Mr. Chia Wei Tsai and Mr. Chen Lung Tsai resigned as Directors of the Company with effect from August 9, 2024.

    Mr. Sandeep Kumar, Mr. Rahul Nilosey and Mr. S. M. Sundaresan were appointed as Additional Directors of the Company with effect from August 9, 2024.

    Mr. S. M. Sundaresan has resigned as Director of the Company with effect from February 11, 2025.

    Mr. Sandeep Kumar and Mr. Rahul Nilosey hold office upto the ensuing Annual General Meeting of the Company. Further, Mr. Sandeep Kumar is liable to retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment. The notice convening the AGM includes the proposal for their re-appointment.

    The Company is not required to appoint any Key Managerial Personnel as per the provisions of Companies Act, 2013 and Rules made thereunder.

14. **Number of Meetings of the Board of Directors:**

    The Meetings of the Board are 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 are held when necessary. During the period under review, five (5) meetings were held on 16th April 2024, 9th August 2024, 28th September 2024, 24th October 2024 and 15th January 2025.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meeting of the Board of Directors are circulated amongst the Members of the Board for their perusal.

15. Adequacy of Internal Financial Controls:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the period ended March 31, 2025, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business activities and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls wherever the effect of such gaps would have a material effect on the Company's activities.

16. Risk Management Framework:

The Company has adopted risk management policy of its Holding Company, Larsen & Toubro Limited and has in place a mechanism to inform the Board Members about risk assessment and minimization initiatives undertaken. It also periodically reviews the risk to ensure that management controls risk by means of a properly designed framework.

17. Directors Responsibility Statement:

The Board of Directors of the Company confirms:

a. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.

c. The Directors have taken proper and sufficient care for the 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.

d. The Directors have prepared the Annual Accounts on a going concern basis and the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

18. **<u>Compliance with Secretarial Standards on Board and General Meetings:</u>**

The Company has complied with Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India.

19. **<u>Protection of Women at Workplace:</u>**

The Company is committed to providing a safe and inclusive workplace free from sexual harassment. The Company believes in providing a mechanism for addressing complaints of sexual harassment by any employee, without the fear of reprisals in any form or manner.

In terms of the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace and has formed an Internal Committee.

There were no cases of sexual harassment reported to the Company during period ended March 31, 2025.

20. **<u>Auditors Report:</u>**

The Auditors' report to the shareholders does not contain any qualification, observation or comment or adverse remark(s) which has/have an adverse effect on the operations of the Company.

21. **<u>Auditors:</u>**

Mr. Satish Kumar G. was appointed as the Statutory Auditor for a five-year term, from the conclusion of the 4th Annual General Meeting (AGM) to the conclusion of the 9th AGM. He resigned as Statutory Auditor of the Company effective September 30, 2024, due to pre-occupation with other assignments.

Pursuant to the resignation of Mr. Satish Kumar G., and in accordance with Section 139 of the Companies Act, 2013, M/s Brahmayya & Co., Chartered Accountants (Firm Registration no. 000515S), were appointed as the Statutory Auditors for a term of five consecutive years i.e. from the conclusion of the 8th Annual General Meeting till the conclusion of the 13th Annual General Meeting of the Company.

22. **<u>Reporting of Frauds:</u>**

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

23. **<u>Details of Significant & Material Orders Passed by the Regulators or Courts or Tribunals:</u>**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

24. **<u>Designated person for furnishing information and extending co-operation to ROC in respect of beneficial interest in shares of the company:</u>**

The Company has appointed Mr. Rahul Nilosey, Director of the Company, as the designated person, for furnishing information and extending co-operation to ROC in respect of beneficial interest in shares of the Company to ensure compliance with MCA notification on this matter.

25. **<u>Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC):</u>**

The Company has neither filed any application nor any proceeding is admitted against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2024-25.

26. **<u>MSME:</u>**

The Company complies with the requirement of submitting half yearly returns to the Ministry of Corporate Affairs within the prescribed timelines.

27. **<u>Merger:</u>**

The Board at its meeting held on April 23, 2025, approved the merger of SiliConch Systems Private Limited ('Company'), with L&T Semiconductor Technologies Limited, holding company, subject to the approval of the shareholders and other regulatory authorities, through a scheme of arrangement under fast-track merger route prescribed under Section 233 of Companies Act, 2013.

28. **<u>Acknowledgement:</u>**

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities and all the various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Place: Bangalore Date: April 23, 2025	**Sandeep Kumar** **Director** **DIN: 02397368**	**Rahul Nilosey** **Director** **DIN: 10717073**

ANNEXRUE I TO THE BOARD REPORT FOR THE FINANCIAL YEAR 2024-25

FORM AOC-2

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

Part A - Details of contracts or arrangements or transactions not at arm's length basis - NIL

Part B - Details of Material contracts or arrangements or transactions at arm's length basis

Name of Related Party	Nature of Relationship	Nature of the transaction/contract / arrangement (excl. Tax)	Duration	Salient terms	Value (Rs.)
Larsen and Toubro Limited	Ultimate Parent Company	Salary Processing Charges			76,200
Larsen and Toubro Limited	Ultimate Parent Company	Other Reimbursement			1,46,542
L&T Semiconductor Technologies Limited	Parent Company	Employee related Expenses (Reimbursement)			4,56,87,710
L&T Semiconductor Technologies Limited	Parent Company	EDA Tools (Reimbursement)			1,29,73,652
L&T Semiconductor Technologies Limited	Parent Company	Other Reimbursement			1,03,73,843

INDEPENDENT AUDITOR'S REPORT

To the Members of Siliconch Systems Private Limited

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of M/s. **Siliconch Systems Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2025 and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended March 31, 2025 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2025, and its Loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

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

Information Other than the Financial Statements and Auditor's Report thereon:

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

5. The accompanying financial statements have been approved by the Company's Board of Directors .The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 judgements 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 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.

6. 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

8. 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

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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.

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

   (i) 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.

   (ii) 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 system in place and the operating effectiveness of such controls.

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

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

   (v) 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.

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

11. 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.

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12. 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 Matters:

13. The Financial statements of the Company for the year ended March 31, 2024, were audited by the predecessor auditor i.e., Satish Kumar Giriraj who have expressed unmodified opinion vide their audit report dated July 03, 2024, whose reports have been furnished to us and which have been relied upon by us, for the purpose of our audit.

Report on Other Legal and Regulatory Requirements:

14. With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the company has paid remuneration during the year which is in compliance with the Act.

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "**Appendix - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. 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), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2025 from being appointed as directors in terms of section 164(2) of the Act.

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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 "Appendix-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

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

i. The Company does not have any pending litigations which would impact its financial position,

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.

iv.

a. 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 securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. 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 ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

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v. The Company has not declared any dividend during the year ended March 31, 2025 Accordingly, compliance with provisions of Sec 123 of Companies Act, 2013 is not applicable.

vi. Based on our examination, which included test checks the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention related to previous year.

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No: 000515S

G. Srinivas
Partner
Membership No.: 086761
UDIN: 25086761BMJDKV7456

Place: Bengaluru
Date: April 23, 2025

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Appendix - A to the Independent Auditors' Report

The Appendix referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2025, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible assets

a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets under development and Intangible Assets.

b) The Company has a program of physical verification of its Property, Plant and Equipment and the same has been carried out by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, reporting under this clause is not applicable.

d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

(ii) The Company does not have any Inventory. Accordingly, clauses from (ii) (a) to (ii) (b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not provided any loans, advances in the nature of loans, guarantees, or securities to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, reporting under clause iii (a to f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.

(vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act. Accordingly, the provisions of clause (vi) of the Order is not applicable.

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(vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2025 for a period of more than six months from date they become payable.

b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations provided to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations provided to us and based on examination of financial statements, the term loans were applied for the purpose for which it obtained.

(d) According to the information and explanations provided to us and based on examination of financial statements, no short term funds are utilized for long term purposes.

(e) According to the information and explanation provided to us and based on the examination of financial statements, the Company doesn't have any subsidiaries or associates or joint venture. Accordingly, reporting under this clause is not applicable.

(f) According to the information and explanation provided to us and based on the examination of financial statements, the Company doesn't have any subsidiaries or associates or joint venture. Accordingly, reporting under this clause is not applicable.

(x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence the reporting under clause 3 (x)(a) is not applicable.

(b) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the period.

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(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. However, section 177 of the Companies Act,2013 is not applicable to the company.

(xiv) According to the information and explanations given to us and based on our examination of records, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xiv) of the order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) During the year the company has incurred a cash loss of 630.22 Lakhs and no cash losses in the immediately preceding financial year.

(xviii)There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration of the issues objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We,

BRAHMAYYA & CO. Chartered Accountants BENGALURU

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) The Company is not required to spend any amount on Corporate Social Responsibility (CSR) during the year. Accordingly, clause (xx) (a) and (xx) (b) of the order are not applicable for the year.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No: 000515S

G. Srinivas
Partner
Membership No.: 086761
UDIN: 25086761BMJDKV7456

Place: Bengaluru
Date: April 23, 2025

BRAHMAYYA & CO.
Chartered Accountants
BENGALURU

Appendix - B to the Independent Auditors' Report

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

We have audited the internal financial controls with reference to financial statements of M/s. **Siliconch Systems Private Limited** ("the Company") as of March 31, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 (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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing ('SA's) 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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.

BRAHMAYYA & CO. Chartered Accountants BENGALURU

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 includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 respect to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No: 000515S

G. Srinivas
Partner
Membership No.: 086761
UDIN: 25086761BMJDKV7456

Place: Bengaluru
Date: April 23, 2025

BRAHMAYYA & CO. Chartered Accountants BENGALURU

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road,Bangalore, India, 560102
Balance Sheet as at March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
1. Non-current assets			
Property, Plant and Equipment	3	7.79	16.85
Other Intangible assets	4	1,365.22	1,930.62
Financial assets			
- Investments			-
- Other financial assets			-
Deferred tax Asset		-	-
Other non-current assets	6		-
		1,373.01	**1,947.47**
2.Current assets			
Inventories			-
Financial assets			
- Investments			-
- Trade receivables	7	102.00	420.73
- Cash and cash equivalents	8	9.22	112.60
- Bank balances other than cash and cash equivalents	9	-	203.44
- Other financial assets	5	2.78	7.00
Other current assets	6	154.59	197.44
		268.59	**941.21**
Total Assets		**1,641.60**	**2,888.68**
II. EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	3.52	2.66
Other equity	11	1,229.77	2,220.82
Total equity		**1,233.29**	**2,223.48**
LIABILITIES			
1. Non-current liabilities			
Financial liabilities			
- Borrowings	12	-	86.85
- Other financial liabilities		-	-
Provisions	13	132.09	-
Deferred tax liability (net)	14	-	70.99
Other non-current liabilities	15		-
		132.09	**157.84**
2. Current liabilities			
Financial liabilities			
- Borrowings	12	-	142.34
- Trade payables	16		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		89.51	137.74
- Other financial liabilities		-	-
Provisions	13	4.73	12.48
Other current liabilities	15	181.98	214.80
		276.22	**507.36**
Total liabilities		**408.31**	**665.20**
Total equity and liabilities		**1,641.60**	**2,888.68**
Summary of Material accounting policies	**2**		

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

As per our report of even date
For Brahmayya & Co.,
Chartered Accountants
Firm Registration number : 000515S

For and on behalf of the Board of Directors of
Siliconch Systems Private Limited

G. Srinivas
Partner
Membership No. 086761

Sandeep Kumar
Director
DIN No:02397368

Rahul Nilosey
Director
DIN No:10717073

Place : Bengaluru
Date : 23-04-2025

Place : Bengaluru
Date : 23-04-2025

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road,Bangalore, India, 560102
Statement of Profit & Loss for the year ended March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from operations	17	1,336.33	2,532.30
Other income	18	9.04	16.06
Total income		**1,345.37**	**2,548.36**
EXPENSES			
Employee benefits expense	19	1,206.19	1,153.81
Finance costs	20	8.79	9.83
Depreciation and amortization expenses	21	575.90	573.66
Other expenses	22	760.61	942.14
Total expenses		**2,551.49**	**2,679.44**
Profit/(Loss) before tax		**(1,206.12)**	**(131.08)**
Tax expense			
Current tax			-
Deferred tax expenses/(income)		(70.99)	(6.11)
Total tax expense		**(70.99)**	**(6.11)**
Profit/(Loss) after tax for the period/year		**(1,135.13)**	**(124.97)**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefit plans	23	(22.91)	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
Total Other Comprehensive Income (net of taxes)		(22.91)	-
Total Comprehensive income/(loss) for the period/year		**(1,158.04)**	**(124.97)**
Earnings per equity share (in rupees)			
Basic	24	(348.04)	(47.43)
Diluted		(348.04)	(35.78)
Summary of Material accounting policies	**2**		

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

As per our report of even date.
For Brahmayya & Co.,
Chartered Accountants
Firm Registration number : 000515S

For and on behalf of the Board of Directors of
Siliconch Systems Private Limited

G. Srinivas
Partner
Membership No. 086761

Sandeep Kumar
Director
DIN No:02397368

Rahul Nilosey
Director
DIN No:10717073

Place : Bengaluru
Date : 23-04-2025

Place : Bengaluru
Date : 23-04-2025

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road, H, aralur, Bangalore, Bangalore, Karnataka, India, 560102

Cash Flow Statement for the year ended March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
I	*Cash flow from operating activities:*		
	Profit before tax	(1,206.12)	(131.08)
	Adjustment for:		
	Depreciation and amortisation	575.90	573.66
	ESOP Expense	167.00	51.81
	Interest income on fixed deposits	(2.78)	(15.41)
	written off of fixed assets	-	3.45
	Finance costs	8.79	9.83
	Operating cash flow before working capital changes	**(457.21)**	**492.26**
	Adjustment for movements in Working capital		
	Changes in trade receivables	318.73	(123.89)
	Changes in other assets	47.07	(164.34)
	Changes in trade payables	(48.23)	(81.20)
	Changes in other liabilities	(175.16)	78.25
	Changes in provisions	101.43	3.92
	Cash flow (used) in operations	**243.84**	**(287.26)**
	Income tax paid		(0.57)
	Net cash flow from operating activities (I)	**(213.37)**	**204.43**
II	*Cash flows from investing activities*		
	Purchase of property plant and equipment, including CWIP and capital advances	(1.45)	(9.40)
	Sale of PPE and Intangibles		1.44
	Movement in other bank balances, net	203.44	(11.42)
	Interest Received	2.78	15.41
	Net cash flow from/ (used in) investing activities (II)	**204.77**	**(3.97)**
III	*Cash flows from financing activities*		
	Interest paid	(8.79)	(9.02)
	Infusion of share capital		36.25
	Repayment of borrowings	(85.99)	(121.97)
	Net cash flow from/ (used in) financing activities (III)	**(94.78)**	**(94.74)**
IV	***Net Increase/(decrease) in cash and cash equivalents (I + II + III)***	(103.38)	105.73
	Cash and cash equivalents at the beginning of the year	112.60	6.87
	Adjustment for unrealised foreign exchange gain		-
V	***Cash and cash equivalents at the end of the year***	**9.22**	**112.60**

VI	***Components of cash and cash equivalents:***		
	Cash on hand	0.42	0.40
	With banks		-
	Current Accounts	8.80	112.20
	Total cash and cash equivalents	**9.22**	**112.60**

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

As per our report of even date.
For Brahmayya & Co.,
Chartered Accountants
Firm Registration number : 000515S

For and on behalf of the Board of Directors of
Siliconch Systems Private Limited

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road, H, aralur, Bangalore, Bangalore, Karnataka, India, 560102

Cash Flow Statement for the year ended March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

G. Srinivas	**Sandeep Kumar**	**Rahul Nilosey**
Partner	Director	Director
Membership No. 086761	DIN No:02397368	DIN No:10717073
Place : Bengaluru	Place : Bengaluru	
Date : 23-04-2025	Date : 23-04-2025	

Note 1:

A.Corporate Information

SiliConch Systems Private Limited ("Company") is a semiconductor IP company based in Bengaluru,work in Pre-silicon products focusing on delivering Mixed-signal solutions in Power Management and Hispeed IOs.

The Company delivers confidential Application Specific Intellectual Property (IP) and Integrated Circuits (IC) in USB Type-C Ecosystem especially in the areas of Power Delivery and Datapath. The Company is an active contributor of USB Implementers' Forum standards and delivering latest USB Type-C Ecosystem solutions.

The Company has been acquired by L&T Semiconductor Technologies Limited in the FY 2024-25.

B.Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (the Act) and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs (MCA) in respect of section 133 of the Act.

These financial statements include the balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flows and notes, comprising a summary of material accounting policies and other explanatory information-and comparative information in respect of the preceding period.

C.Basis of accounting

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

D.Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the lnd AS compliant Schedule III to the Act. The Statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity, as prescribed in the Ind AS compliant and Schedule III to the Act, are presented by way of notes accompanying the financial statements along with the other notes required to be disclosed under the notified Ind ASs.
The amounts in the financial statements are presented in Lakhs. Per share data are presented in Lakhs.

E.Operating cycle for current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current and non-current classification in accordance with the criteria specified in Ind AS compliant Schedule III to the Act. Deferred tax assets and liabilities are classified as non-current asset and liabilities.

Operating cycle for the business activities of the Company covers the duration of the specific project/ contract/ product line/ service and extends up to the realisation of receivables in cash or cash equivalents within the agreed credit period normally applicable to the respective lines of business or twelve months, wherever applicable.

<u>Material accounting policies</u>

F. i) Revenue

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those services. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

The company assesses the services promised in a contract and identifies distinct performance obligations in the contract.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The companies contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price.

Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.

Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized 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. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Estimates of total costs or efforts are continuously monitored over the term of the contracts and are recognized in the net profit in the period when these estimates change or when the estimates are revised. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The company presents revenue net of discounts, indirect taxes and value-added taxes in its statement of profit and loss. Revenues in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (unearned revenue).
The revenue from the fixed price contracts is recognized on the milestone basis. Each milestone consists of deliverables agreed in the agreement. Upon the fulfilment of deliverables and confirmation from client the Milestone is confirmed as achieved and revenue is recognized.

ii) Other operational revenues

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

iii) Other Income

a.Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.
b.Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

G. i) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost of acquisition less accumulated depreciation and accumulated impairment loss.

Freehold land is carried at cost. The cost of an item of PPE comprises of its purchase price, including import duties and non-refundable purchase taxes net of tax/ duty credit availed, trade discounts and rebates. It includes all costs directly attributable to acquisition of PPE or to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by the management of the Company. For qualifying assets, cost includes borrowing costs capitalised in accordance with the Company's accounting policy.

Subsequent costs are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliable. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

PPE not ready for the intended use on the reporting date is disclosed as "capital work-in-progress".

Depreciation is provided on straight-line method on the basis of the useful lives specified in Schedule II to the Act, except in respect of certain assets wherein the useful lives were determined by technical evaluation. The justification for adopting different useful lives compared to the useful lives of assets provided in Schedule II is based on the consumption pattern of the assets, past performance of similar assets and peer industry computation duly supported by technical assessment by internal technical team.

Where cost of a part of the asset ("asset component") is significant in relation to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation for additions to / deductions from, owned assets is calculated pro rata from / to month of additions / deletions. PPE individually costing less than Rs. 5,000/- are depreciated 100% in the year of acquisition.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis, to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

G. ii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost of acquisition less accumulated depreciation and accumulated impairment loss.

a.Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired separately, having finite useful lives, are subsequently measured at cost less accumulated amortisation and accumulated impairment loss. Intangible assets acquired separately, having indefinite useful lives, are subsequently measured at cost less accumulated impairment losses.

b. Internally-generated intangible assets - Research and development expenditure. Expenditure on research activities is recognised as expense in the period in which it is incurred.

Expenditure on development of new products is recognised as an intangible asset, if all of the following criteria can be demonstrated:

I. The technical feasibility of completing the intangible asset so that it will be available for use or sale.

ii.The Company has intention to complete the intangible asset and use or sell it.

iii.The Company has ability to use or sell the intangible asset

iv.The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets.

v.The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

vi.The Company has ability to measure the expenditure attributable to the intangible asset during its development reliably.

Expenditure on development of new products that does not meet the criteria listed above is recognised as expense in the period in which it is incurred.

The internally-generated intangible asset is initially recognized at the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria as listed above. Subsequent to initial recognition, internally-generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in statement of profit or loss when the asset is derecognized.

Intangible assets not ready for the intended use on the reporting date are disclosed as "intangible assets under development".

Intangible assets with finite useful lives are amortised using straight-line method over their useful life as follows:

Specialised software: Three years;

IP has a life of 5 years.

H.Impairment of non-financial assets

As at each reporting date, the Company assesses whether there is an indication that an asset may be impaired. Jf any such indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss when the carrying value of an asset exceeds its recoverable amount.

As at each reporting date, the Company also assesses whether there is an indication that an impairment loss recognized in previous periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset and reverses the impairment loss recognized in previous period such that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in previous periods.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost of disposal and its value in use.

I.Leases

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

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 comprises 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.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation and 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 lease term life of right of-use asset.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The standard, however, does not require an entity to recognize assets and liabilities for (a) short- term leases (for a period of twelve months or less) and (b) leases of low value assets.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

J.Earnings Per Share

Basic earnings per share is calculated by dividing profit after tax as per statement of profit and loss before Other Comprehensive Income attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

K.Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables and financial liabilities other than trade payable are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, for trade receivables that do not contain a significant financing component are initially measured at transaction price.

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investments in debt Instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

•The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
•The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

•The asset is held within a business model whose objective is achieved both by collecting contractual cashflows and selling financial assets; and
•The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However, in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

•The rights to receive cash flows from the asset have expired or
•The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets measured at amortised cost e.g., deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

•All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

•Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial Liabilities

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings are subsequently measured at amortised costs using EIR.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value. Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognised in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial Iiabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

L.Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

The principal or the most advantageous market must be accessible by the company.

· In the principal market for the asset or liability, or

· In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management of the Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non - recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

a) Disclosures for valuation methods, significant estimates and assumptions

b) Quantitative disclosures of fair value measurement hierarchy

c) Financial instruments (including those carried at amortized cost)

M. Cash and cash equivalents

Cash and bank balances include cash on hand and fixed deposits with banks. Short term highly liquid investments that are not readily convertible into known amount of cash and which are not free from more than insignificant risk of changes in value, are not included as part of cash and cash equivalents. Bank overdrafts which are repayable on demand are included as part of cash and cash equivalents

N.Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/ inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

O.Foreign currency transactions

The functional currency of the Company is Indian rupee.

Foreign currency transactions are recorded on initial recognition using the exchange rate, using the spot exchange rate between the functional currency and foreign currency at the date of the transaction.

At each reporting date, foreign currency monetary items are reported using the closing rate i.e., the spot exchange rate at the reporting date. Non-monetary items, carried at fair value that is denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing rate are recognised in the statement of profit or loss in the period in which they arise.

P.Income Taxes

a.Current tax

Current Tax for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments / appeals.

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The management of the Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b.Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward and unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised when there are sufficient taxable temporary differences relating to the same taxation authority, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred 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 tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

c.Tax expense/ (income) for the year

Tax expense (income) comprises of current tax expense (income) and deferred tax expense (income). 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, as the case may be.

Q.Retirement and other Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Defined contribution plans:

Provident Fund:

A defined contribution plan is a post-employment benefit plan under which an entity makes specified monthly contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified contributions towards employee provident fund to Government administered provident fund scheme, state plans like Employee State Insurance and labour welfare fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans:

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a independent actuary using the projected unit credit method as at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

a.The date of the plan amendment or curtailment, and

b.The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non -routine settlements; and

ii) Net interest expense or income

Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The employees are entitled to receive cash compensation at end of calendar year, or at retirement or termination of employment for the unutilized absences. Compensated absences, are provided for on the basis of last drawn salary, for the unveiled balance of leave.

The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary. To the extent that the Company does not have an unconditional right to defer the utilization or encashment of accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

R.Provisions, contingent liabilities and contingent assets Provisions are recognised only when:

a.the Company has a present obligation (legal or constructive) as a result of a past event

b.it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c.a reliable estimate can be made of the amount of the obligation

The amounts recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Reimbursement expected in respect of expenditure required to settle a provision is recognised when it is virtually certain that the reimbursement will be received if the company settles the obligation.

Contingent liability is disclosed in case of

a.a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b.a present obligation that arises from past events but is not recognized because:

i)it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii)the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

S.Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

a.Estimated amount of contracts remaining to be executed on capital account and not provided for;

b.Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management of the Company.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

T.Non-current assets held for sale

The Company classifies non-current assets (and disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The management of the Company must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The company treats sale of the asset or to be highly probable when:

a. The appropriate level of management of the company is committed to a plan to sell the asset (or disposal group),

b. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

c. The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e. Actions required to complete the plan indicate that it is unlikely that significant change to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

PPE and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

U.Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which it affects.

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road, Bangalore, 560102
Notes to the financial statements for the Period ended March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Furniture and Fixtures	Computers	Office Equipments	Total
Deemed Cost				
Gross Block				
As at April 01, 2024	4.43	13.69	6.20	24.32
Additions	-	1.45	-	1.45
Disposals	-	-	-	-
As at March 31, 2025	**4.43**	**15.14**	**6.20**	**25.77**
Accumulated Depreciation				
As at April 1, 2024	1.84	2.42	3.21	**7.47**
Charge for the year	2.16	5.82	2.53	**10.51**
Disposals	-	-	-	**-**
As at March 31, 2025	**4.00**	**8.24**	**5.74**	**17.98**
Net Block				
As at April 1, 2024	**2.59**	**11.27**	**2.99**	**16.85**
As at March 31, 2025	**0.43**	**6.90**	**0.46**	**7.79**

Note:
01. During the year, the Company has not revalued any Property, Plant & Equipment.
02. The Company does not have any benami property and no proceedings have been initiated during the year or are pending against the Company as at August 09, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

Siliconch Systems Private Limited

CIN: U72900KA2016PTC092418

119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road, Bangalore, 560102

Notes to the financial statements for the Period ended March 31, 2025

(All amounts in Rupees lakhs, unless otherwise stated)

4 Intangible assets

Particulars	Intellectual Properties.	Total
Deemed Cost		
Gross block		
As at April 01, 2024	**2,496.81**	**2,496.81**
Additions	-	-
Disposals	-	-
As at March 31, 2025	**2,496.81**	**2,496.81**
Accumulated Amortisation		
As at April 01, 2024	**566.19**	**566.19**
Charge for the year	565.39	565.39
Disposals	-	-
As at March 31, 2025	**1,131.59**	**1,131.59**
Net block		-
As at April 1, 2024	**1,930.62**	**1,930.62**
As at March 31, 2025	**1,365.22**	**1,365.22**

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road,Bangalore, India, 560102

Statement of changes in Equity for the Period ended March 31, 2025

(All amounts in Rupees lakhs, unless otherwise stated)

I Equity Share capital

Particulars	At the beginning of the Period	Changes during the Period	At the end of the Period
For the year ended March 31, 2024	2.63	0.03	2.66
For the Period ended March 31, 2025	2.66	0.86	3.52

II Other Equity

Particulars	Share options outstanding account	Securities Premium	Surplus in Statement of Profit and Loss	Other comprehensive Income	Total
As at March 31, 2024	**289.78**	**2,417.65**	**(486.61)**	**-**	**2,220.82**
Profit for the Year.	-	-	(1,135.13)	-	(1,135.13)
Other comprehensive income	-	-	-	(22.91)	(22.91)
Premium received during the year	-	456.77	-	-	456.77
Recognition of Share Based Payment	167.00	-	-	-	167.00
Transfer on account of exercise	(456.77)	-	-	-	(456.77)
Share application Money during the year		-	-	-	-
Total comprehensive income	0.00	2,874.42	(1,621.74)	(22.91)	1,229.77
Dividends		-	-	-	-
As at March 31, 2025	**0.00**	**2,874.42**	**(1,621.74)**	**(22.91)**	**1,229.77**

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

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
Firm Registration number : 000515S

G. Srinivas
Partner
Membership No. 086761

Place : Bengaluru
Date : 23-04-2025

For and on behalf of the Board of Directors of
Siliconch Systems Private Limited

Sandeep Kumar
Director
DIN No:02397368

Rahul Nilosey
Director
DIN No:10717073

Place : Bengaluru
Date : 23-04-2025

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road, Bangalore, 560102
Notes to the financial statements for the Period ended March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

5	Financial Assets - Others	As at March 31,2025	As at March 31, 2024
	Other financial assets consists of the following		
	Current		
	a) Security Deposits	-	7.00
	b) Income accrued	2.78	-
		2.78	**7.00**

6	Other Assets	As at March 31,2025	As at March 31, 2024
	Current		
	Considered good		
	a) Advance to employees	16.43	28.58
	b) Advance to suppliers	-	-
	c) Prepaid expense	14.73	21.00
	d) Balance with government authorities	111.93	147.86
	e) Other Current Assets	11.50	-
		154.59	**197.44**

7	Trade Receivables	As at March 31,2025	As at March 31, 2024
	a) Unsecured, Considered Good	102.00	420.73
	b) Unsecured, Considered Doubtful		-
	Total	**102.00**	**420.73**
	Less: Allowance for Expected Credit Loss		-
	Total	**102.00**	**420.73**

8	Cash and Cash Equivalents	As at March 31,2025	As at March 31, 2024
	a) Balances with Banks		
	- On Current Accounts	8.80	112.20
	- Deposits with original maturity of less than 3 months	-	-
	b) Cash on Hand	0.42	0.40
		9.22	**112.60**

9	Other Bank Balances	As at March 31,2025	As at March 31, 2024
	a) Deposits with Original maturity less than 12 months	-	203.44
	c) Short Term Fixed Deposit		
		-	**203.44**

10	Share Capital	As at March 31,2025	As at March 31, 2024
	(a) Authorised:		
	5,00,000 Equity Shares of Rs.1/- each.	5.00	5.00
	(b) Issued, Subscribed and Paid-up :		
	3,51,874/- Equity Shares of Rs.1/- each fully paid up (2,65,733 shares for March 2024)	3.52	2.66

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31,2025		As at March 31, 2024	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	2,65,733	2.66	2,63,135	2.63
Movement during the year	86,141	0.86	2,598	0.03
At the end of the year	**3,51,874**	**3.52**	**2,65,733**	**2.66**

(d) Terms / Rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting right to an equity shareholder on a whole are in proportion to its share of the paid up equity capital of the Company. The voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holder the of the equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(e) Details of shareholders holding more than 5% shares in the Company

	As at March 31,2025		As at March 31, 2024	
	Nos.	**% Holding**	**Nos.**	**% Holding**
Equity shares of Rs.1/- each fully paid				
L&T Semiconductor Technologies Limited	3,51,874	100.00%	**0.00**	**-**
Vishnu Mohan Pusuluri	-	-	1,38,819	52.24%
Luxshare	-	-	79,351	29.86%
Josue	-	-	17,582	6.62%
	3,51,874	**100.00%**	**235752.00**	**88.72%**

11 Other Equity	As at March 31,2025	As at March 31, 2024
(A) Securities Premium		
Opening Balance	2,874.42	2,381.42
Premium received during the year	-	36.23
Closing Balance	**2,874.42**	**2,417.65**
(B) ESOP Reserve		
Opening Balance	289.78	237.97
Premium received during the year	167.00	51.81
Transfer on account of exercise	(456.77)	
Closing Balance	**0.00**	**289.78**
(C) Retained Earnings		
Opening Balance	(486.61)	(361.64)
Ind AS Transition Adjustment	-	-
Add: Profit/(loss) for the year	(1,135.13)	(124.97)
	(1,621.74)	**(486.61)**
(D) Other comprehensive income		
On Actuarial Gain/(loss) on post employment benefits		
At the beginning of the year	-	-
Add: Actuarial Gain/(loss) for the year	(22.91)	-
At the end of the year	**(22.91)**	**-**
Closing Other Equity	**1,229.77**	**2,220.82**

12 Financial Liabilities - Borrowings	As at March 31,2025	As at March 31, 2024
Non-Current		
Borrowings		
(Secured)		
From Banks & Financial Institution	-	8.10
(Unsecured)		
Loan from Related Parties	-	78.75
	-	**86.85**
Current		
Borrowings		
Current Maturities of Secured Loan	-	72.00
	-	-
Unsecured		
From Banks	-	70.34
	-	**142.34**

13 Provisions	As at March 31,2025	As at March 31, 2024
Non Current		
a) Provision for gratuity	110.79	-
b) Provision for leave benefits	21.30	-
	132.09	**-**
Current		
a) Provision for gratuity	-	8.56
b) Provision for leave benefits	2.63	-
c) Other provisions	2.10	3.92
	4.73	**12.48**

14 Deferred Tax Balances	As at March 31,2025	As at March 31, 2024
Deferred tax assets		
a) Gratuity	(2.23)	2.23
b) Compensated absences	-	-
c) Investments	-	-
d) Lease Liability	-	-
e) others	-	-
	(2.23)	**2.23**
Deferred tax liabilities		
a) Property Plant and Equipment & Intangible Assets	(73.22)	73.22
c) ROU Asset		-
	(73.22)	**73.22**
Net Deferred tax liability /(Assets)	**-**	**70.99**
Movement in deferred tax		
-Deferred tax Expenses/(income).	**(70.99)**	**(6.11)**

15 Other Liabilities	As at March 31,2025	As at March 31, 2024
Non-Current		
a) Deferred Rental Income	-	-
		-
Current		
a) Statutory dues	11.94	-
b) Advance Revenue received	163.90	212.94
c) Audit Fee Payable	5.50	1.13
c) Other Payable	0.64	0.73
	181.98	**214.80**

16 Trade Payables	As at March 31,2025	As at March 31, 2024
a) Dues to micro enterprises and small enterprises		-
b) Others	89.49	137.74
	89.49	**137.74**

*Based on the information available with respect to MSME, the same has been classified.

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
119, Janardana , 2nd Floor, 3rd Cross, 1st phase, Reliable Residency, Haralur Main Road, Bangalore, 560102
Notes to the financial statements for the year ended March 31, 2025
(All amounts in Rupees lakhs, unless otherwise stated)

17	**Revenue from Operations**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
	Revenue from Services	1,336.33	2,532.30
	Total	**1,336.33**	**2,532.30**

Note:
i) Disaggregation of Revenue into Geographical Areas

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
In India		-
Outside India	1,336.33	2,532.30
Revenue from Operations	**1,336.33**	**2,532.30**

ii) Timing of recognition of Revenue

At a point in Time

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Transferred at a point in time	1,336.33	2,532.30
Transferred over a period of time		-
Revenue from Operations	**1,336.33**	**2,532.30**

iii) Reconciliation of Revenue recognized in the statement of Profit & Loss with contract Price:

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Revenue as per contract Price	1,336.33	2,532.30
Adjustments		
Revenue from Operations	**1,336.33**	**2,532.30**

Major Customers: Revenue from one customer of the company is approximately Rs.1,268.14 lakhs out of revenue from operations of the company for the period ended March 31, 2025 (March 31, 2024: 2,239.22 lakhs)

18	**Other income**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
	Interest income on deposits	8.98	15.41
	Income tax refund	0.06	0.05
	Others		0.60
		9.04	**16.06**

19	**Employee Benefit Expenses**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
	Salaries, wages and bonus	728.29	1,069.53
	Share Based Payment to Employees	167.00	51.81
	Contribution to provident and other funds	54.89	8.10
	Gratuity	225.95	-
	Staff welfare expenses	30.06	24.37
		1,206.19	**1,153.81**

20	Finance costs	For the year ended March 31, 2025	For the year ended March 31, 2024
	Interest expense on		
	Borrowings and other cost	6.45	9.83
	Interest on Gratuity	2.34	-
		8.79	**9.83**

21	Depreciation and amortisation expenses	For the year ended March 31, 2025	For the year ended March 31, 2024
	Depreciation of Property, Plant and Equipment	7.68	7.47
	Amortisation of Intangible assets	568.22	566.19
		575.90	**573.66**

22	Other expenses	For the year ended March 31, 2025	For the year ended March 31, 2024
	Lab Components and Electricals	54.85	99.46
	Legal and professional charges	247.93	255.51
	License Fee	305.05	346.86
	Interest & Penalities	44.88	81.44
	Rent	40.50	33.00
	Travelling and Boarding	9.52	19.81
	Insurance	0.18	14.03
	Electricity Charges	8.21	12.45
	Custom Duty	5.13	7.27
	Membership Fees-Foreign	4.18	4.10
	Office Expenses	7.04	22.84
	Petrol and Fuel	1.67	1.58
	Repairs and Maintenance	2.61	9.76
	Network and Communication Expenses	2.39	2.30
	Auditors' remuneration	5.50	1.25
	Bank charges	4.51	8.58
	Fixed Asset Scrapped	-	3.45
	Foreign Exchange Profit/Loss	2.29	9.92
	Rates and taxes	6.60	1.35
	Subscription, Registration & Renewal Charges	0.24	1.10
	Secutity Guard Services	-	0.31
	Miscellaneous Expenses	7.33	5.77
		760.61	**942.14**

a) Payment to Auditors (excluding service tax/Goods and service tax)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	5.00	1.25
Tax audit	-	-
Certification Charges	0.50	
Total	**5.50**	**1.25**

23	Other Comprehensive Income	For the year ended March 31, 2025	For the year ended March 31, 2024
	Actuarial (Gain)/Losses on Gratuity Expense for the year	(22.91)	-
	Taxes on above		-
		(22.91)	**-**

24	Earnings per Equity Share	For the year ended March 31, 2025	For the year ended March 31, 2024
	Profit after tax (A) (in Lakhs)	(1,950.53)	(124.97)

Weighted average number of equity shares outstanding at the end of the year for computing the basic EPS (B) (in Numbers)	3,26,149.70	2,63,499.33
Weighted average number of equity shares outstanding at the end of the year for computing the diluted EPS (C) (in Numbers)	3,26,149.70	3,49,325.60
Basic earnings per share (in rupees) (A)/(B)	**(348.04)**	**(47.43)**
Diluted earnings per share (in rupees) (A+D)/(C)	**(348.04)**	**(35.78)**

25 Related party disclosure:

(i) Names of related parties and description of relationship:	
Holding company.	L&T Semi-Conductors Limited.
Ultimate holding company.	Larsen and Toubro Limited.
(ii) Key managerial Person.	
Directors	Vishnu Mohan Pusuluri
Directors	Jaswanth Ammineni
Directors	Rakesh Polasa Kumar
Directors	Chia Wei Tsai
Directors	Chen Lung Tsai
(The above director retired w.e.f 09th August 2024)	
Directors	Sandeep Kumar
Directors	Rahul Nilousey
Company Secretary	Subhodh Shetty

(iii) Related Party Transaction		
Nature of transactions	**For the Period ended March 31, 2025**	**For the Period ended March 31, 2024**
Larsent and Toubro Limited		
Professional Fees	0.76	-
Reimbursements	1.33	-
Rates and Taxes	0.14	-
L&T Semi-Conductors.		
Deputation services	40,166.69	-
Lab consuambles transfer	1,157.46	-
Key Managerial Personnel Remuneration (till date of retirement (09th August 2024))		
Mr. Vishnu Mohan Pusuluri	14.34	40.10
Mr. Jaswanth Ammineni	16.09	57.74
Mr. Rakesh Polasa Kumar	48.80	128.80
Mr. Chia Wei Tsai	-	-
Mr. Chen Lung Tsai	-	-

(iv)Details of amount due to related parties.	**As at March 31, 2025**	**As at March 31, 2024**
-Larsen and Toubro Limited	2.31	-
-L&T Semi conductors	44.41	-

(All amounts in Rupees lakhs, unless otherwise stated)

26 Retirement and other employee benefits.

A) Defined Contribution Plan :
Contribution to provident fund and NPS.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Provident fund contribution.	54.89	8.10
NPS contribution	-	-
Total	**54.89**	**8.10**

B) About defined Benefit Plans:

The Company provides for gratuity, a defined retirement benefit plan covering eligible employees. The Gratuity Plan Provides a lump sum payment to vested employees at retirement, death incapacitation or termination of employment, of an amount equivalent to 15 days' salary for each completed year of service subject to a maximum of Rs. 20,00,000/-. Vesting occurs upon completion of five continuous years of service in accordance with Indian Law. The Gratuity is funded and the liability has been recognised in the books of account.

C) The amounts recognized in the Financials Statements.
(i).The reconciliation of Defined benefit obligations.

Particulars	Gratuity plan	
	As at 31 Mar 2025	As at 31 Mar 2024
A.Opening value of defined benefit obligation.	8.56	-
Expenses Recognized:		
-Current service cost.	225.94	8.56
-Interest.	2.83	-
-Actuarial (Gain)/Loss.	22.91	-
B.Total Expenses	251.68	-
C.Liability Assumed/(Transferred)	-139	-
Closing Defined Benefit obligation	121.28	-
Defined benefit obligations	121.28	
Fair value of plan assets.	10.49	-
Net liability of defined benefit obilgation/(Asset) recognized in balance sheet.	110.79	-
		-
a.Current Liability.	-	-
b.Non-Current Liability.	110.79	-
Total	**110.79**	**8.56**

ii).Siginificant actuarial assumptions.

Particulars	Period ended 31st March, 2025.	Period ended 31st March, 2024.
-Discount rate (P.A).	6.90%	-
-Salary escalation rate (P.A).	7.00%	-

D) Amount, timing and uncertainity of future cash flows.

i).Sensitivity analysis.

Particulars	Year ended 31st March, 2025.		Year ended 31st March, 2024.	
	Discount Rate	Salary Escalation Rate.	Discount Rate	Salary Escalation Rate.
-Defined benefit obligation on increase in 50 bps	110.10	133.87	-	-
-Defined benefit obligation on decrease in 50 bps	134.16	110.13	-	-

ii).Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows

Particulars	Amount
Expected benefits for year 1	10.14
Expected benefits for year 2	8.04
Expected benefits for year 3	8.04
Expected benefits for year 4	8.09
Expected benefits for year 5	8.10
Expected benefits for year 6	8.13
Expected benefits for year 7	6.40
Expected benefits for year 8	5.31
Expected benefits for year 9	5.47
Expected benefits for year 10 and above	191.92

27 Segment Reporting.

As the company's business activity primarily falls within a single business, there are no additional disclosures required to be provided as per Ind AS 108

28 Corporate Social Responsibility.

The company does not fall under the preview of section 135(Corporate Social Responsibility) of the companies act, 2013, therefore no money has been spent on CSR activities during the year.

29 Contingent Liabilities.

The company don't have any contingent liabilities.

30 Commitments.

i).They company have no capital commitments as on 31st march, 2025.

31 Trade payables ageing schedule.

	Outstanding for the following periods from the due date.				
As at March 31, 2025	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i).MSME	-	-	-	-	-
(ii). Others	88.60	0.91	-	-	89.51

	Outstanding for the following periods from the due date.				
As at March 31, 2024	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i).MSME	-	-	-	-	-
(ii). Others	137.74	-	-	-	137.74

32 Trade Receivables Ageing Schedule

	Outstanding for the following periods from the due date.				
As at March 31, 2025	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade recievable good.					
- Considered Good	102.00	-	-	-	102.00
- Considered Doubtful	-	-	-	-	-

	Outstanding for the following periods from the due date.				
As at March 31, 2024	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade recievable good.					
- Considered Good	420.73	-	-	-	420.73
- Considered Doubtful	-	-	-	-	-

32 Other disclosures.

i). The Company neither holds any Benami property, nor proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) The company is not a willfulk defaulter.
iii) The compay has not entered into any relationship with the struckoff the companies.
iv) The company has not registered any charges with ROC.
v) The company has not traded or invested in crypto currency or virtual currency.
vi) Previous year/period figures have been regrouped and reclassified wherever necessary to confirm to those of the current year.

(All amounts in Rupees lakhs, unless otherwise stated)

33 Fair Values.

Particulars	Carrying Value		Fair Value	
	As atMarch 31, 2025	As atMarch 31, 2024	As atMarch 31, 2025	As atMarch 31, 2024
Financial Assets				
At Amortised Cost				
Trade receivables	102.00	420.73	102.00	420.73
Cash and Cash equivalents	9.22	112.60	9.22	112.60
Other financial assets	2.78	7.00	2.78	7.00
Total Financial Assets	114.00	540.33	114.00	540.33
Financial Liabilities				
At Amortised Cost				
Trade Payables	89.51	137.74	89.51	137.74
Total Financial Liabilities	89.51	137.74	89.51	137.74

34 Fair Value Hierarchy
The following table provides the fair value measurement hierarchy of the company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets and liabilities.

Particulars	Fair Value Measurement Using.		
	Quoted price in active markets	Siginificant Observable inputs	Siginificant unobservable inputs
	Level 1	Level 2	Level 3
Assets measured at Fair value as on March 31, 2025			
Investments in equity shares (Unqouted)	-	-	-
Assets measured at Fair value as on March 31, 2024			
Investments in equity shares (Unqouted)			

34 ESOP

Particulars	Number of options	Vesting period	Vesting Conditions
ESOP Scheme	95,712	4 Years	Completion of tenure of employment of employment for 4 years and vesting is 10%, 30% ,30% and 30% over the period of 4 years.

The maximum number of shares that maybe issued pursuant to exercise of options granted to the eligible employees under this scheme shall not exceed 95,712 equity shares at a nominal value of Rs.1 per share of the company
The maximize quantum of option shall not exceed 20% of the total authorized capital during the tenure of the scheme

Measurement of Fair values

The company has considered the net book value on every year as an Fair Value on grant date for recognition of ESOP expense due to non availability of fair value of information.

Year	Fair Value
FY 23-24	935.63
FY 22-23	882.52
FY 21-22	852.38

Table showing options movements during year.

Particulars	31-Mar-25	31-Mar-25
Outstanding at the beginning of the Year	86,311	68,855
Granted during the year	-	19,120
Forfeited during the year	170	-
Expired during the year		-
Exercised during the year	86,141	1,664
Outstanding at the end of the Year	-	86,311

Table showing Weighted-average exercise prices of options(Amount in INR)
Exercise price of ESOP is Rs. 1

Options outstanding at the end of the year:There are no outstanding options at the end of the year as on March 31, 2025

Table Showing movement in the ESOP outstanding reserve.

35 Financial risk management objectives and policies.

The company was recently acquired by L&T Semiconductor Technologies Limited. Funding is provided by the holding company whenever needed to cover cash flow gaps, so the company, So the company don't have any financial risk.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

The following are the key financial risk.

i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk.The company don't have any market risk, Except the currency risk.

a).Foreign currency risk.

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from sale of services and other import of services that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars. The Company's trade receivable balances at the end of the reporting period have similar exposures.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Unhedged foreign currency exposure.

Particulars	As at March 31, 2025		As at March 31, 2024
	Foreign Currency	Amount in Rs	Foreign Currency
Trade receivables	1,19,331.40	102.00	5,04,389.00

b).Interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's don't have any interest rate risk because the FD's are invested at a pre agreed rate of interest for short term.

ii) Liquidity Risk.

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	0 to12 Months	1 to 5 Years	> 5 Years	Total
-Period ended March 31, 2025.				
Trade payables	89.51	-	-	89.51
Other liabilities	181.98	-	-	181.98
Total				**271.49**
-Period ended March 31, 2024.				
Trade payables	137.74	-	-	137.74
Other liabilities	357.14	-	-	357.14
Total				**494.88**

36 Capital Management

For the purpose of the capital's management, Capital includes issued equity capital, and all other equity reserves attirbutable to equity holders.The primary objective of company's capital management is to maximize the shareholders value.

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Borrowings (A)	-	229.19	350.35
Share capital	3.52	2.66	2.63
Other equity	1,229.77	2,220.82	2257.75
Total Equity (B)	1,233.29	2,223.48	2,260.38
Total debt and equity (C=A+B)	1,233.29	2,452.67	2,610.73
Gearing Ration (A/C)	-	9.34%	13.42%

Siliconch Systems Private Limited
CIN: U72900KA2016PTC092418
Notes to the financial statements for the period ended March 31, 2025

37 Financial Ratios

Ratio	Numerator	Denominator	As at 31st March, 2025	As at 31st March, 2024	Variance	Remarks
Current Ratio	Current Assets	Current Liabilities	0.97	1.86	-47.6%	NA
Debt-equity ratio	Total Debt	Shareholders's equity	NA	0.10	0%	NA
Return on Equity (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.92)	(0.06)	1538%	Increase in losses
Trade payables turnover ratio	Purchases	Average Trade Payables	8.50	6.84	24%	Due to operation has been increased the trade are increased.
Net capital turnover ratio	Net Sales = Total Sales - Sales returns	Working Capital	(175.14)	5.84	-3101%	
Net profit ratio	Net Profit	Net Sales = Total Sales - Sales returns	(0.85)	(0.05)	1621%	
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred tax liability	(0.98)	(0.06)	1559%	Increase in losses
Return on investment (ROI)	Income generated from investments	Time weighted average investments	NA	NA	0%	