

# DATA PATTERNS





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**Disclaimer**

This report and information, including the Management Discussion and Analysis presentation, may contain forward-looking statements that involve risks and uncertainties. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this Report or elsewhere speaks only as of the date on which we made it. We have no duty to, and do not intend to, update or revise the forward-looking statements in this Report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this Report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure. Further, financial or performance indicators used here, have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our financial statements. Further, past performance is not necessarily indicative of future results. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Bank’s management on future events.

Data Patterns (India) Private Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offering of its equity shares (the “Equity Shares”) and has filed a red herring prospectus dated December 05, 2021 (the “RHP”) with the Securities and Exchange Board of India (“SEBI”) and the stock exchanges. The RHP is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and the website of the Lead Manager at [www.jmfl.com](http://www.jmfl.com) and [www.iiflcap.com](http://www.iiflcap.com), and the websites of BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. Any potential investor should note that investment in Equity Shares involves a high degree of risk. For details, potential investors should refer to the RHP including the section titled “Risk Factors” appearing on page 34.

This Annual report does not constitute, (i) a part of the RHP; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.



Online Annual report  
[www.datapatternsindia.com](http://www.datapatternsindia.com)

# Directors' Report

Your Directors take immense pleasure in presenting their 23rd Annual Report on the business and operations of the Company and the Audited Accounts for the financial year ended 31st March, 2021.

## STATE OF THE COMPANY'S AFFAIRS AND BRIEF BUSINESS OVERVIEW

The summary of operating results in IndAs for the period ended 31st March, 2021 is given below;

Particulars	2020-21 (Rs. in Crores)	2019-20 (Rs. in Crores)#
Revenue	226.55	160.20
Profit before interest, Depreciation and Tax (EBIDTA)	<b>94.59</b>	47.27
Profit before Tax	74.52	28.47
Profit after tax	55.56	21.06
Surplus brought forward from previous year	109.07	88.40
Profit available for distribution	54.60	21.03
Dividend Proposed (including tax)	0.34	0.41
Balance carried to Balance Sheet	164.28	109.06
Earnings per share of Rs.100	327	124

# Previous year figures are based on audited consolidated financials.

\* Revenue for the FY 2020-21 has increased by Rs. 66.35 Crores, from Rs. 160.199 Crores in FY 2019-20 to Rs. 226.55 Crores in FY 2020-21

## COVID – 19 CHALLENGES, BUSINESS CONTINUITY PLAN AND IMPACT

During Mar'2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing Governments to enforce lock-downs of all economic activity. We from the Company, focused to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers by implementing business continuity plan such as extending work from home facility wherever possible and working with minimum strength. This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, sales and profitability. However, we have controlled our activities and ensured with minimum impact, and currently back to regular operations to the maximum extent.

## AMALGAMATION

The Company and its wholly owned subsidiary company i.e., Data Patterns India Private Limited were engaged in complementary businesses. Your Directors after careful analysis, to bring in the benefits of synergy, had proposed a Scheme of Amalgamation for merging the company with the Data Patterns (India) Private Limited, and had accorded their consent for the same at the Board Meeting held on 29th March, 2019. Accordingly, pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 read with relevant rules, the company had filed an application along with the Scheme of Amalgamation before the Hon'ble National Company Law Tribunal, Chennai Bench ("Hon'ble NCLT") for the proposed merger. The Scheme of Amalgamation was approved by the Hon'ble National Company Law Tribunal, Division Bench - I, Chennai, vide, CP/1466/CAA/2019, Order dated 13th April, 2021 with appointed date as 01st of April, 2018. Accordingly the financials of the Company for the year 2020-21 has been drawn as a standalone financials.

Thereafter your company applied for change in name from Indus Teqsite Private Limited to Data Patterns (India) Private Limited, the approval of which was given by Ministry Of Corporate Affairs on 04.08.2021.

## DIVIDEND

In order to conserve the funds for the activities of the Company, your Directors have recommended Rs. 65.30 per share as per the audited financials of the Company for the financial year ended 31st March, 2021.

## TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the financial year 2020-21.

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company do not have any unclaimed/unpaid funds lying to be transferred to Investor Education and protection fund (IEPF).

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of the business of the Company during the financial year under review.

## DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the year under review, Ms. Manvi Bhasin, has been appointed as Company Secretary of your Company w.e.f. 19th July, 2021.

### MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER BALANCE SHEET DATE

No material changes and commitments affecting the financial position of the Company occurred between the beginning and end of the financial year to which this financial statement relates.

With your Company's well-crafted business strategies, solid foundation, aligned goals, missions & values, we are pleased to inform that your Company's Directors in their meeting held on 04th June, 2021, has taken a monumental decision to take your Company's shares into public through Initial Public Offering (IPO).

Also, your Company has identified the Bankers and counsels for the same and has started the required processes, like, preparation Draft Red Herring Prospectus, conversion of your Company into a Public Limited Co, etc., and the exercise is likely to be completed by the end of this calendar year.

In view of the decision to take the Company into Initial Public Offering and as required under the SEBI guidelines, the Board of Directors of have also decided to voluntarily adopt Ind AS framework for purposes of financial reporting from the accounting year 2020-21 with transition date as 1st April, 2019. The company recognized the transitional entries in its books effective 01st April, 2019.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS ANDCOMPANY'S OPERATIONS IN FUTURE

The Hon'ble National Company Law Tribunal, Division Bench - I, Chennai, vide, CP/1466/CAA/2019, Order dated 13th April, 2021 (pursuant to the provisions of Section 230 to 232 with respect to the Scheme of Amalgamation), passed Order for merger with Data Patterns (India) Private Limited, the wholly owned subsidiary of the company.

### DEPOSITS

The Company has not accepted any deposits during the financial year 2020-21.

### STATUTORY AUDITORS

R.G.N. Price & Co, (FRN No:002785S) Chartered Accountant, was re-appointed as the auditors of the company in the 21stAnnual General Meeting to hold the office for the period of 5 consecutive years i.e. from the Financial Year 2019-20 to 2023-24 till the conclusion of the 26thAnnual General Meeting.

### BOARD'S COMMENT AND EXPLANATION OR COMMENTS ON AUDIT REPORT

There were no qualifications, reservations or adverse remarks made by the Auditors in their Report.

Further, the Provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

### DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS IN TERMS OF SECTION 143(12) OF COMPANIES ACT, 2013

The Statutory Auditors of the Company has not reported any frauds to the Board of Directors in due process of auditing the Financial Statements of the Company for the Financial Year 2020-21.

### SHARE CAPITAL

No changes made to the Share Capital of the Company and no allotment was made during the financial year under review.

However, pursuant to NCLT Order dated 13th April, 2021 approving the Amalgamation of your Company's Wholly Owned Subsidiary, Data Patterns (India) Private Limited with your Company which inter alia included consolidation of Authorised Share Capital of the Companies, your Company's Authorised Share Capital stands increased to Rs. 15.75 Crores from the existing Rs. 7.75 Crores.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form No. MGT-9 is attached as "Annexure II" to this report and further, the same is also placed at the website of the Company i.e., <https://www.datapatternsindia.com/>.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREX EARNINGS & OUTGO IN PRESCRIBED MANNER

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- No Specific investment has been made in reduction in energy consumption.
- As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.  
Foreign Exchange Earnings- Rs. 17.49 Crores
- Foreign Exchange Outgo – Rs. 43.34 Crores

### ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7(1) of Companies (Meeting of Board and its Powers) Rules, 2014, the Company has established the Vigil Mechanism for the genuine concerns or grievances of its Directors and Employees and also nominated Ms. Rekha Murthy Rangarajan, Whole Time Director of the Company to play the role of audit committee for the purpose of vigil mechanism to whom other Directors and Employees may report their concerns, in terms of Rule 7(3) of Companies (Meeting of Board and its Powers) Rules, 2014, as the Company is not required to constitute an Audit Committee.

The said mechanism is also placed at the website of the Company i.e., <https://www.datapatternsindia.com/>.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

- a) About the CSRPolicy of the Company and its implementation and the initiatives taken by the Company.

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors

- b. Annual report on CSR Activities is given in the Annexure.I.

### BOARD MEETING

During the Financial Year 2020-21, the Board of Directors has met for 7 times i.e., on 28.04.2020 16.07.2020, 10.09.2020, 28.12.2020, 04.01.2021, 20.01.2021, 01.02.2021.

#### No. of Meeting Attended by Directors as follows:

Director	Designation	No. of Board Meetings Attended
Mr. Srinivasagopalan Rangarajan	Managing Director	7
Mrs. Rekha Murthy Rangarajan	Whole-Time Director	7

### COMMITTEE MEETINGS:

The Company has constituted its CSR Committee which includes the following Members:

- Mr. SrinivasagopalanRangarajan, Chairman
- Ms. Rekha Murthy Rangarajan, Member

During the Financial Year under review the said Committee has met for one time i.e., on 28.04.2020.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

The Company has complied with the provisions of Section 186 of Companies Act, 2013 in relation to Loans, Investments & Guarantees given by the Company during the Financial Year under review.

### RELATED PARTY CONTRACT OR ARRANGEMENTS

#### List of Related Parties:

Key Managerial Personnel	Mr. Srinivasagopalan Rangarajan Managing Director
	Ms. Rekha Murthy Rangarajan Whole-Time Director
	Ms. Manvi Bhasin Company Secretary
Director's Relative	Ms.Vasundara Keshava Murthy (Ms. Rekha Murthy Rangarajan's Mother)

### Transaction with Related Parties:

There are no materially significant related party transactions made by the Company as defined under section 188 of the companies Act 2013 during the year under review with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large, except the following:

#### Transactions with Key Managerial Personnel:

Name of the Related Party	Nature of Transaction	Transaction Amount (Rs. in Crore)	Closing Balance (Rs. in Crore)
Mr. Srinivasagopalan Rangarajan	Director Remuneration	0.75	-
	Dividend	0.13	-
	Loans Repaid	15.20	0.51
	Interest on loan	2.77	-
Ms. Rekha Murthy Rangarajan	Director Remuneration	0.50	-
	Dividend	0.10	-
	Loans Repaid	2.56	-
	Interest on loan	0.12	-
Ms. Vasundara Keshava Murthy	Dividend	0.01	-

There are no transactions requiring disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, hence, disclosure in Form AOC-2 is not required.

### STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY

There are no risks prevalent impacting the existence of the Company. The Company has adequate policy and compliance for information security under the ISMS - Information Security Management System and ISO Compliance. The Details of valid certification on the reporting date is as follows:

- ISO 900:2008
- AS9 100:2009
- ISO 27001:2005

### DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 of the Companies Act, 2013 for the appointment of Independent Directors do not apply to your Company.

However, foreseeing the post IPO applicability of Section 149 of the Companies Act, 2013, read with applicable rules and provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, your Board of Directors have shortlisted few Independent Directors to be part of Board Members.

### COMPANY'S POLICY ON APPOINTMENT OF DIRECTORS

Your Company's policy for the appointment of the Directors to the Board is to ensure that the Board consists of Members with the range of skills and qualities for promoting the success of the Company in a way which ensures the value to the shareholders and stakeholders.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Your company has in place adequate internal financial controls with reference to Financial Statements. During the year under review, such controls were tested and no reportable material weakness in the design or operations were observed.

### DIRECTORS RESPONSIBILITY STATEMENT

In Pursuance with the provisions of section 134(5) of the Companies Act, 2013, the Board hereby submit its responsibility statement referred to in clause (c) of sub-section (3) shall State that —

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 profit and loss of the company for that period;
- 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;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### SECRETARIAL AUDIT REPORT

Requirements of Secretarial Audit Report would be applicable from the financial year 2021-22.

### MAINTENANCE OF COST RECORDS AND COST AUDIT

In terms of Section 148 of the Companies Act, 2013 read with relevant rules, the maintenance of Cost Records and Audit is applicable on the Company and accordingly the Company is maintaining proper Cost records and accounts in the prescribed manner and the Audit of the same will be conducted by a Cost Accountant.

### COMPLAINTS RELATING TO SEXUAL HARASSMENT

The Company is committed to provide a safe and conducive work environment to its employees.

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year:

- Number of complaints pending at the beginning of the year - Nil
- Number of complaints received during the year - Nil
- Number of complaints disposed off during the year - Nil
- Number of cases pending at the end of the year - Nil

### PARTICULARS OF EMPLOYEES

There were no Employee whose remuneration was in excess of the limits prescribed under section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

### SECRETARIAL STANDARDS

The company has complied with the applicable Secretarial Standards as required under the provisions of the Companies Act, 2013

### ACKNOWLEDGMENTS

Your Directors place on record their appreciation for the valuable services rendered by the Company's Shareholders, Employees, Bankers and other agencies associated with the company. The Board expects much more continuous support and co-operation in the future years to come.

For **Data Patterns (India) Private Limited**

(Srinivasagopalan Rangarajan)  
Managing Director

Date: 11.08.2021  
Place: Chennai  
Address: 3-A, Akshaya Apartments, 34, Krishnaswamy Avenue, Mylapore, Chennai – 600 004

(Rekha Murthy Rangarajan)  
Whole-Time Director

DIN: 00643456  
DIN: 00647472  
Address: 3-A, Akshaya Apartments, 34, Krishnaswamy Avenue, Mylapore, Chennai – 600 004

## ANNEXURE-I

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ('CSR') Committee. The composition and terms of reference of the CSR Committee are provided in the Report on Corporate Governance.

The Company has also formulated a CSR Policy which is available on the website of the Company at [www.datapatterns.com](http://www.datapatterns.com).

The projects undertaken during the year are in accordance with Schedule VII of the Act and the CSR Policy of the Company. Further, details on the prescribed CSR spend under Section 135 of the Act and the amount committed and spent during the year under review is provided in the Annual Report on CSR activities as provided below in the Annual Report on CSR Activities:-

#### 1. Brief outline on CSR Policy of the Company:

- Promoting Employment, enhancing Vocational training and related skill development
- To Spend on technology development and enhance sustainable import substitute products availability.
- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(d) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(e) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

(f) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public Libraries; promotion and development of traditional arts and handicrafts;

(g) measures for the benefit of armed forces veterans, war widows and their dependents

(h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; etc as detailed in the website of the company.

#### 2. Composition of CSR Committee:

S. No.	Name of the Director	Designation/Nature of Directorship	Number of CSR Committee Meetings held during the year	Number of CSR Committee Meeting attended during the year
1.	Mr. Srinivasagopalan Rangarajan	Chairman	01	01
2.	Ms. Rekha Murthy Rangarajan	Member	01	01

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company- [www.datapatterns.com](http://www.datapatterns.com)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

S. No.	Financial Year	Amount available to set-off from preceeding financial year (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1.	2019-2020	-	-

6. Average net profit of the Company as per section 135(5) - Rs.14.74 Crores

7. (a) Two percent of average net profit of the Company as per Section 135(5) - Rs. 0.29 Crores.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- NIL

(c) Amount required to be set off for the financial year, if any- NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c) -Rs. 0.29 Crores



8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Cr)	Amount Unspent (in Rs. Cr)	
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).
0.05	0.24	NIL (*)

(\*) Company proposes to transfer the unspent amount to fund specified under Schedule VII as per second proviso to section 135(5), of the Companies Act, 2013 before the end of 30th September, 2021

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Project duration	Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation - Through implementing agency.
NIL							

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	PM Cares Fund	(viii) contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	No	Central	-	Rs. 0.05 Crores.	Direct	-	-

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 0.05 Crores.

(g) Excess amount for set off, if any

S. No.	Particular	Amount (in Rs. Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 0.29
(ii)	Total amount spent for the Financial Year	Rs. 0.05
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
NIL							

Subsequent to the merger approved by NCLT, the financial numbers for FY 2020-21 have been taken as the consolidated numbers of both the company, Indus Teqsite Private Limited as well as the wholly owned subsidiary Data Patterns (India) Private Limited. Accordingly, the CSR liability is re-worked and the total liability is Rs. 29 lakhs. Amount spent is Rs. 5 lakhs towards PM's care fund, balance unspent is Rs. 24 lakhs, the same will be transferred to fund specified under Schedule VII as per second proviso to section 135(5), of the Companies Act, 2013 before the end of 30th September, 2021

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)
NIL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): NIL

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NIL.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Due to the outburst of COVID 19 during March' 2020, forcing Governments to enforce lock-downs of all economic activity, making it difficult for your Company in identifying the areas to spend the CSR amount. Since no organization/NGO was operational for meeting people, it was difficult to understand their needs and then to cater them.

Further your Directors have always believed in "Innovation at fore and people at core" therefore, they have already outlined the activities to be taken up in next financial year.

For **Data Patterns (India) Private Limited**

(Srinivasagopalan Rangarajan)  
Managing Director

Date:11.08.2021

Place: Chennai

DIN: 00643456

Address:3-A, Akshaya Apartments, 34. Krishnaswamy Avenue, Mylapore, Chennai – 600 004

(Rekha Murthy Rangarajan)  
Whole-Time Director

DIN: 00647472

Address:3-A, Akshaya Apartments, 34. Krishnaswamy Avenue, Mylapore, Chennai – 600 004

**ANNEXURE-II**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON FINANCIAL YEAR ENDED 31.03.2021**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management & Administration) Rules, 2014]

❖ **REGISTRATION AND OTHER DETAILS:**

1	CIN	U72200TN1998PTC061236
2	Registration Date	11th November, 1998
3	Name of the Company	Data Patterns (India) Private Limited [Formerly known as Indus Teqsite Private Limited]
4	Category/ Sub-category of the Company	Company limited by shares/ Indian Non-Government Company
5	Address of the Registered office & contact details	Plot No.H9, Fourth Main Road, SIPCOT IT Park, Siruseri, Chennai- 603103
6	Whether Listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	N.A.

❖ **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Radar Apparatus, Radio Navigational Aid Apparatus And Radio Remote Control Apparatus	33124	55.67%
2	Parts of Goods of Heading Number 8802 other Aircraft (for example, Helicopters, Aero planes); Spacecraft (including Satellites) and Suborbital and Spacecraft launch vehicles	35303	28.20%
3	Electric Instantaneous Or Storage Water Heaters And Immersion Heaters; Electric Space Heating Apparatus And Soil Heating Apparatus; Electro-Thermic Hair-Dressing Apparatus (For Example, Hair Dryers, Hair Curlers, Curling Tong Heaters) And Hand Dryers, Electric Smoothing Irons; Other Electro-Thermic Appliances Of A Kind Used For Domestic Purposes; Electric Heating Resistors, Other Than Those Of Heading 8545	27502	16.13%

❖ **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				

❖ **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e., as on 1st April, 2020				No. of Shares held at the end of the year i.e., as on 31st March, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A) Promoters</b>									
<b>(1) Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	11,96,629	11,96,629	70.40	-	10,76,904	10,76,904	63.36	(5)* (1.5)*
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year i.e., as on 1st April, 2020				No. of Shares held at the end of the year i.e., as on 31st March, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	-	11,96,629	11,96,629	70.40	-	10,76,904	10,76,904	63.36	-
<b>(2) Foreign</b>									
i NRIs – Individuals	-	-	-	-	-	-	-	-	-
ii Other Individuals	-	-	-	-	-	-	-	-	-
iii Body Corp.	-	-	-	-	-	-	-	-	-
iv Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A) (1)+(A)(2)</b>	-	11,96,629	11,96,629	70.40	-	10,76,904	10,76,904	63.36	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	3,33,887	3,33,887	19.64	-	3,33,887	3,33,887	19.64	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	3,33,887	3,33,887	19.64	-	3,33,887	3,33,887	19.64	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	49,674	49,674	2.922	-	2,88,999	2,88,999	17.00	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-				-				-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-				-
c) Others (specify) – Employees Trust	-	1,19,600	1,19,600	7.04	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	1,69,264	1,69,264	9.96	-	2,88,999	2,88,999	17.00	-
<b>Total Public Shareholding (B) = (B) (1) + (B)(2)</b>	-	5,03,161	5,03,161	29.60	-	6,22,886	6,22,886	36.64	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	16,99,790	16,99,790	100.00	-	16,99,790	16,99,790	100.00	-

(\*) Change of 5% is on account of transfer and 1.5% is inclusion in individuals

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Srinivasagopalan Rangarajan	6,58,956	38.77	-	5,73,966	33.77	-	(5)
2	Mrs. Rekha Murthy Rangarajan	5,02,938	29.59	-	5,02,938	29.59	-	-
<b>Total</b>		<b>11,61,894</b>	<b>68.36</b>	<b>-</b>	<b>10,76,904</b>	<b>63.36</b>	<b>-</b>	<b>-</b>

## iii Change in Promoters' Shareholding (please specify, if there is no change) –

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1.	Mr. SrinivasagopalanRangarajan	6,58,956	38.77	6,58,956	38.77
2.	Mrs. Rekha Murthy Rangarajan	5,02,938	29.59	5,02,938	29.59
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
	(Transfer of shares from Mr. Srinivasagopalan Rangarajan on 04.01.2021 the following employees of the company –			(84990)	(5)
	- Desingurajan.P			38109	2.24
	- Vijay Ananth K			38110	2.24
	- Thirunavukkarasu T S)			8771	0.52
	At the end of the year				
1.	Mr. SrinivasagopalanRangarajan	5,73,966	33.77	5,73,966	33.77
2.	Mrs. Rekha Murthy Rangarajan	5,02,938	29.59	5,02,938	29.59

## iv Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Oman India Joint Investment Fund	3,33,887	19.64	3,33,887	19.64
	Employees Trust	1,19,600	7.04	-	-
	Desingurajan P	-	-	47,809	2.81
	Vijay Ananth K	-	-	46,310	2.72
	G.K. Vasundhara	-	-	26,978	1.59
	Tirunavukkarasu T S	-	-	14,651	0.86

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sudhir Nathan	-	-	6,380	0.38
	Thomas Mathuram S	-	-	4,000	0.24
	LaxmiShivanandMankekar (Shivanand Shankar Mankekar)	27,592	1.62	27,592	1.62
	Shivanand Shankar Mankekar (LaxmiShivanandMankekar)	11,036	0.65	11,036	0.65
	Shivanand Shankar Mankekar (KedarShivanandMankekar)	11,036	0.65	11,036	0.65
	<b>Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):</b>				
	(a) Distribution of 1,19,600 shares to beneficial owners of Indus Teqsite Employee Reward Trust on 04.01.2021.	(1,19,600)	(7.04)		
	(b) Transfer of shares from Mr. Srinivasagopalan Rangarajan on 04.01.2021 the following employees of the company –	(84990)	(5)		
	- Desingurajan.P	38109	2.24		
	- Vijay Ananth K	38110	2.24		
	- Thirunavukkarasu T S	8771	0.52		
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
	Oman India Joint Investment Fund	3,33,887	19.64	3,33,887	19.64
	Employees	2,04,590	12.04	-	-
	Desingurajan P	-	-	47,809	2.81
	Vijay Ananth K	-	-	46,310	2.72
	G.K. Vasundhara	-	-	26,978	1.59
	Tirunavukkarasu T S	-	-	14,651	0.86
	Sudhir Nathan	-	-	6,380	0.38
	Thomas Mathuram S	-	-	4,000	0.24
	LaxmiShivanandMankekar (Shivanand Shankar Mankekar)	27,592	1.62	27,592	1.62
	Shivanand Shankar Mankekar (LaxmiShivanandMankekar)	11,036	0.65	11,036	0.65
	Shivanand Shankar Mankekar (KedarShivanandMankekar)	11,036	0.65	11,036	0.65



## v Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year</b>				
	Mr. Srinivasagopalan Rangarajan	6,58,956	38.77	6,58,956	38.77
	Mrs. Rekha Murthy Rangarajan	5,02,938	29.59	5,02,938	29.59
	<b>Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):</b>				
	<b>(Transfer of shares from Mr. Srinivasagopalan Rangarajan on 04.01.2021 the following employees of the company –</b>			(84990)	(5)
	- Desingurajan.P			38109	2.24
	- Vijay Ananth K			38110	2.24
	- Thirunavukkarasu T S)			8771	0.52
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
	Mr. Srinivasagopalan Rangarajan	5,73,966	33.77	5,73,966	33.77
	Mrs. Rekha Murthy Rangarajan	5,02,938	29.59	5,02,938	29.59

## ❖ INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	37,62,53,631	18,87,60,486	44,15,53,647	1,00,65,67,764
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>37,62,53,631</b>	<b>18,87,60,486</b>	<b>44,15,53,647</b>	<b>1,00,65,67,764</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	13,69,05,912	-	-	13,69,05,912
* Reduction	20,24,98,080	17,49,76,118	11,49,67,680	49,24,41,878
<b>Net Change - Reduction</b>	<b>(6,55,92,168)</b>	<b>(17,49,76,118)</b>	<b>(11,49,67,680)</b>	<b>(35,55,35,966)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	31,06,61,463	1,37,84,368	32,65,85,967	65,10,31,798
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31,06,61,463</b>	<b>1,37,84,368</b>	<b>32,65,85,967</b>	<b>65,10,31,798</b>

## ❖ REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		MD	WTD	Manager	Total Amount (Rs. in Crore)
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0.72	0.50	-	1.22
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.03	0	-	0.03
	(c) Profits in lieu of salary Under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
	Others, please specify Dividend	0.13	0.10	-	0.23
	Interest	2.77	0.12	-	2.89
	Medical Reimbursements	-	-	-	-
	<b>Total (A)</b>	<b>3.65</b>	<b>0.73</b>	<b>-</b>	<b>4.38</b>
	Ceiling as per the Act	-	-	-	-

## B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	
		Total Amount	
1	<b>Independent Directors</b>	N.A.	
	Fee for attending Board/ Committee Meetings		
	Commission		
	Others, please specify		
	<b>Total (1)</b>		
2	<b>Other Non-Executive Directors</b>		
	Fee for attending Board/ Committee Meetings		
	Commission		
	Others, please specify		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		
	<b>Overall Ceiling as per the Act</b>		

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify...	-
5.	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	-

❖ PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Data Patterns (India) Private Limited

(Srinivasagopalan Rangarajan)  
Managing Director

(Rekha Murthy Rangarajan)  
Whole-Time Director

Date:11.08.2021

DIN: 00643456

DIN: 00647472

Place: Chennai

Address:3-A, Akshaya Apartments, 34. Krishnaswamy Avenue, Mylapore, Chennai – 600 004

Address:3-A, Akshaya Apartments, 34. Krishnaswamy Avenue, Mylapore, Chennai – 600 004

Financial  
Section

# Independent Auditor's Report

## TO THE MEMBERS OF DATA PATTERNS (INDIA) PRIVATE LIMITED

(FORMERLY KNOWN AS "INDUS TEQSITE PRIVATE LIMITED")

### Report on the Audit of Financial Statements

We have audited the accompanying financial statements of Data Patterns (India) Private Limited (formerly known as "Indus Teqsite Private Limited") ("the Company") which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

### Opinion

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

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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 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 on the financial statements.

### Emphasis of Matter

We draw attention to Note no.42 in the financial statements where in the Company has disclosed the impact of COVID-19 pandemic on its current and future financial performance. Considering the uncertainties involved in the future economic scenario which is based on various external factors outside the control of the Company, the management's assumptions and estimates on operational and financial performance of the Company would largely depend on future developments as they emerge as stated in the said note.

Our opinion is not modified in respect of this matter.

### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures but does not include the financial statements and our auditor's report thereon.

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

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

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

### Management's Responsibility for the Financial Statements

The Company's 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under the Act read with Rules framed thereunder as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- i. planning the scope of our audit work and in evaluating the results of our work; and
- ii. to evaluate the effect of any identified misstatements in the financial statements.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our



separate Report in Annexure B. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

- (g) With respect to other matters to be included in Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we state that:

Being a private limited company, provisions of section 197 of the Act relating to remuneration payable to directors are not applicable to the company.

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

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

statements. Refer Note no 31 to the financial statements.

- ii. The Company has certain long-term contracts for which there are no material foreseeable losses. The Company did not have any derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R.G.N. Price & Co.,**  
Chartered Accountants  
F R No.0027855

**K Venkatakrishnan**  
Partner  
M No. 208591  
UDIN 21208591AAAIC8747

## Annexure A referred to in paragraph 1 under "Report on other legal and Regulatory Requirements" section of our report of even date on the financial statements of Data Patterns (India) Private Limited (formerly known as "Indus Teqsite Private Limited") ("the Company"), for the year ended 31st March, 2021

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has adopted a policy of physically verifying its fixed assets every year which in our opinion is reasonable having regard to the size of the Company and nature of its business. During the year fixed assets have been physically verified by the management and according to the information and explanation given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination, we report that, the title deeds of land and the buildings constructed thereon are held in the name of the Company as at the balance sheet date. In respect of leasehold land, the lease agreement is in the name of the Company, where the Company is the lessee.
- (ii) Physical verification of inventories has been conducted at reasonable intervals by the Management. The discrepancies noticed on physical verification which were not material have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans nor any guarantee or security to the Directors or to any Company, body corporate or to any other person covered by Section 185 of the Act. The Company has not made any investments during the year.
- (v) The Company has not accepted any deposits and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) of Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) On the basis of our examination of books and records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, and the records of the Company examined by us, there are no disputed statutory dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, GST and cess as at 31st March, 2021 except the following:

Name of the Statute	Period	Amount (Rs. in Lakhs)	Forum where dispute is pending
Income Tax Act	AY 2018-19 & AY 2019-20	131.21	Commissioner of Income Tax (Appeals)
Central Sales Tax Act	FY 2002-03	63.84	TN Sales Tax Appellate Tribunal
Finance Act, 1994	FY 2007-08 to FY 2011-12	47.55	Commissioner (Appeals), Service Tax
TN VAT Act	FY 2008-09, FY 2012-13 & FY 2013-14	27.76	Appellate Deputy Commissioner of State Taxes, Chennai
TN VAT Act	FY 2014-15	14.82	CTO, Chennai

- viii) According to the information and explanation given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing from any financial institutions, banks or Government. The Company has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Term Loans were applied for the purpose for which they were raised.
- x) During the course of our examination of the books and records of the Company carried out in accordance with the Generally Accepted Auditing Practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the Management.
- xi) Since the Company is private limited Company, provisions of Section 197 read with Schedule V to the Act, with regard to managerial remuneration is not applicable to the Company.
- xii) The Company is not a Nidhi Company and Nidhi Rules, 2014 are not applicable to the Company.

- xiii) The provisions of section 177 of the Act are not applicable to the Company, being private limited. In our opinion and as per the information and explanations given to us, transactions with the related parties are in compliance with Section 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with them contravening section 192 of the Act.

- xvi) The Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence clause (xvi) is not applicable.

**For R.G.N. Price & Co.,**  
Chartered Accountants  
F R No.0027855

**K Venkatakrishnan**  
Partner  
M No. 208591  
UDIN 21208591AAAIC8747

**Annexure B** referred to in Clause (f) of Paragraph 3 of Report on Other Legal and Regulatory Requirements of our report of even date on the Financial Statements of Data Patterns (India) Private Limited (formerly known as “Indus Teqsite Private Limited”) (“the Company”), for the year ended 31st March, 2021.

We have audited the internal financial controls over financial reporting of Data Patterns (India) Private Limited ( formerly known as “Indus Teqsite Private Limited”) (‘the Company’) as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

**Opinion**

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R.G.N. Price & Co.,**  
Chartered Accountants  
F R No.0027855

**K Venkatakrishnan**  
Partner  
M No. 208591  
UDIN 21208591AAAIC8747

**Balance Sheet** as at 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	2	29.21	27.82	29.42
(b) Intangible Assets	2	0.56	0.16	0.23
(c) Right of Use Assets	3	3.44	5.60	7.01
(d) Other Financial Assets	4	34.07	46.48	39.03
		<b>67.28</b>	<b>80.06</b>	<b>75.69</b>
<b>Current assets</b>				
(a) Inventories	5	73.74	79.42	86.69
(b) Financial Assets				
(i) Trade receivables	6	155.94	115.63	102.94
(ii) Cash and cash equivalents	7	8.80	1.51	0.31
(iii) Other Financial Assets	8	5.09	3.72	0.31
(c) Other current assets	9	17.75	15.26	11.71
		<b>261.32</b>	<b>215.54</b>	<b>201.96</b>
<b>TOTAL</b>		<b>328.60</b>	<b>295.60</b>	<b>277.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	10	1.70	1.70	1.70
(b) Other Equity	11	206.24	151.98	131.35
		<b>207.94</b>	<b>153.68</b>	<b>133.05</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	12	9.77	0.55	-
(ii) Other Financial Liabilities	13	2.43	3.85	5.93
(b) Provisions	14	8.52	5.64	4.77
(c) Deferred Tax Liability (Net)	15	0.87	0.82	0.98
(d) Other Non Current liabilities	16	27.37	14.32	25.19
		<b>48.96</b>	<b>25.18</b>	<b>36.87</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	22.68	59.85	58.16
(ii) Trade payables	18			
(a) Total outstanding dues of micro and small enterprises		0.24	0.55	1.38
(b) Total outstanding dues of creditors other than micro and small enterprises		11.76	16.71	14.48
(iii) Other Financial Liabilities	19	6.30	10.16	6.66
(b) Other current liabilities	20	24.64	22.47	24.77
(c) Provisions	14	0.95	1.48	1.44
(d) Current tax Liabilities	21	5.13	5.52	0.84
		<b>71.70</b>	<b>116.74</b>	<b>107.73</b>
<b>TOTAL</b>		<b>328.60</b>	<b>295.60</b>	<b>277.65</b>
Summary of Significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

This is the Balance Sheet referred to in our report of even date

**For R.G.N. Price & Co**  
Chartered Accountants  
FR No.0027855

**Srinivasagopalan Rangarajan**  
DIN : 00643456

**Rekha Murthy Rangarajan**  
DIN : 00647472

**K Venkatakrishnan**  
Partner  
M.No. 208591

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

**Statement of Profit and Loss** as at 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

Particulars	Note No	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>I. Revenue from Contract with Customers</b>	22	223.95	156.10
<b>II. Other Income</b>	23	2.60	4.10
<b>III. Total Revenue</b>		<b>226.55</b>	<b>160.20</b>
<b>IV. Expenses:</b>			
a) Cost of materials consumed	24	62.97	53.22
b) Changes in inventories of work in progress and finished goods	25	7.44	2.87
c) Employee benefits expenses	26	48.42	42.27
d) Finance cost	27	14.50	13.34
e) Depreciation / Amortization	28	5.57	5.46
f) Other expenses	29	13.13	14.57
<b>Total Expenses</b>		<b>152.03</b>	<b>131.73</b>
<b>V. Profit before tax</b>		<b>74.52</b>	<b>28.47</b>
<b>VI. Tax expense:</b>			
a) Income Tax		18.91	7.55
b) Deferred Tax		0.05	(0.16)
<b>VII. Profit(Loss) for the period</b>		<b>55.56</b>	<b>21.08</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:</b>			
Re-measurement Gain / (Loss) on Defined Benefit Obligations		(1.28)	(0.05)
Income tax on the above		0.32	0.01
<b>Other Comprehensive Income/(Loss) for the Year</b>		<b>(0.96)</b>	<b>(0.04)</b>
<b>IX. Total Comprehensive Income for the year</b>		<b>54.60</b>	<b>21.04</b>
<b>X. Earnings per equity share ( In INR)</b>			
Basic and diluted		<b>327</b>	<b>124</b>

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

This is the Statement of Profit and Loss referred to in our report of even date

**For R.G.N. Price & Co**  
Chartered Accountants  
FR No.0027855

**Srinivasagopalan Rangarajan**  
DIN : 00643456

**Rekha Murthy Rangarajan**  
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**K Venkatakrishnan**  
Partner  
M.No. 208591

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021



## Cash Flow Statement

All figures are in INR Crores unless specifically stated otherwise

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax	74.52	28.47
Adjustments for :		
Add : Depreciation	5.57	5.46
Add : Interest And Finance Charges	14.50	13.34
Less: Profit on sale of assets	(0.12)	(0.18)
Less: Interest Income	(2.22)	(2.56)
<b>Operating Profit Before Working Capital Changes</b>	<b>92.25</b>	<b>44.53</b>
<b>Adjustments For Working Capital Movements :</b>		
(Increase)/Decrease in Inventories	5.68	7.27
(Increase)/Decrease in Receivables	(40.30)	(12.69)
(Increase)/Decrease in Other Financial Assets	11.03	(10.86)
(Increase)/Decrease in Other Current Assets	(2.50)	(3.55)
Increase/(Decrease) in Trade Payables	(5.27)	1.41
Increase/(Decrease) in Other Financial Liabilities	(3.30)	2.49
Increase/(Decrease) in Other Current Liabilities	2.17	(2.30)
Increase/(Decrease) in Non Current Liabilities	13.04	(10.87)
Increase/(Decrease) in Provisions	1.08	0.86
<b>Cash Generated From Operations</b>	<b>73.88</b>	<b>16.29</b>
Direct Taxes (Paid)	(18.98)	(2.84)
<b>Net Cash flow From Operating Activities (A)</b>	<b>54.90</b>	<b>13.45</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase Of Property, Plant and Equipment (PPE) and Intangible Assets	(5.69)	(1.45)
Proceeds from sale of PPE	0.72	0.29
Interest Income on Deposits	2.22	2.56
<b>Net Cash flow From Investing Activities (B)</b>	<b>(2.75)</b>	<b>1.40</b>
<b>C. Cash Flow From Financing Activities</b>		
Interest/Finance Charges on Borrowings	(14.50)	(13.34)
Proceeds From/(Repayment of )Long Term Borrowings (Net)	9.22	0.55
Proceeds From/(Repayment of )Short Term Borrowings (Net)	(37.16)	1.68
Dividend Paid	(0.34)	(0.41)
Leases paid	(2.08)	(2.13)
<b>Net Cash flow From Financing Activities (C)</b>	<b>(44.86)</b>	<b>(13.65)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>7.29</b>	<b>1.20</b>
Cash & Cash Equivalent At The Beginning Of The Year (Refer Note 7)	1.51	0.31
Cash & Cash Equivalent At The End Of The Year (Refer Note 7)	8.80	1.51
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>7.29</b>	<b>1.20</b>

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

This is the Cash Flow Statement referred to in our report of even date

**For R.G.N. Price & Co**  
Chartered Accountants  
FR No.0027855

**Srinivasagopalan Rangarajan**  
DIN : 00643456

**Rekha Murthy Rangarajan**  
DIN : 00647472

**K Venkatakrishnan**  
Partner  
M.No. 208591

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

## Statement of Changes in Equity

All figures are in INR Crores unless specifically stated otherwise

### a) Equity Share Capital

Particulars	Rs.
<b>Balance as at 01st April, 2019</b>	<b>1.70</b>
Changes during the year 2019-20	-
<b>Balance as at 31st March, 2020</b>	<b>1.70</b>
Changes during the year 2020-21	-
<b>Balance as at 31st March, 2021</b>	<b>1.70</b>

### b) Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Surplus in Statement of Profit and Loss	Remeasurement of Defined Benefit Plan	
<b>Balance as at 01st April, 2019</b>	<b>0.30</b>	<b>33.49</b>	<b>9.16</b>	<b>88.40</b>		<b>131.35</b>
Profit for the year			-	21.08		21.08
Dividend on Shares (including DDT)				(0.41)		(0.41)
Remeasurement of Defined Benefit Plan (Net)			-		(0.04)	(0.04)
<b>Balance as at 31st March, 2020</b>	<b>0.30</b>	<b>33.49</b>	<b>9.16</b>	<b>109.07</b>	<b>(0.04)</b>	<b>151.98</b>
Profit for the year				55.56		55.56
Dividend on Shares (including DDT)				(0.34)		(0.34)
Remeasurement of Defined Benefit Plan (Net)					(0.96)	(0.96)
<b>Balance as at 31st March, 2021</b>	<b>0.30</b>	<b>33.49</b>	<b>9.16</b>	<b>164.29</b>	<b>(1.00)</b>	<b>206.24</b>

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

This is the Statement of Changes in Equity referred to in our report of even date

**For R.G.N. Price & Co**  
Chartered Accountants  
FR No.0027855

**Srinivasagopalan Rangarajan**  
DIN : 00643456

**Rekha Murthy Rangarajan**  
DIN : 00647472

**K Venkatakrishnan**  
Partner  
M.No. 208591

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

Place: Chennai  
Date: 11th August, 2021

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### A. Company Overview:

Data Patterns (India) Private Limited (Formerly known as Indus Teqsite Private Limited) ("The company") is a manufacturer of electronic boards and systems. The company was incorporated on 11th November, 1998 with its registered office at Plot No.H9, Fourth main road, Sipcot IT Park, Siruseri TN 603103.

The company applied to National Company Law Tribunal (NCLT) on 11th December, 2019 for merging the activities of its wholly owned subsidiary Data Patterns India Private Limited through a scheme of amalgamation and the same has been approved by National Company Law Tribunal, Chennai Bench vide its order dated 13th April, 2021.

As per the order received from NCLT, the appointed date for the scheme of merger was 01.04.2018. The order from NCLT was filed with the Ministry of Corporate affairs on 08th May, 2021.

Accordingly the financial statements for the year ended 31st March, 2021 have been prepared giving effect to the above scheme of amalgamation with the comparatives for the year 2019-20 restated to reflect the merger effective from 01.04.2018.

### B. Voluntary adoption of Indian Accounting standards (Ind AS) from 1st April, 2020

As the company has been contemplating public issue of its shares and consequently getting the shares listed in the recognized stock exchanges in India, the Board of Directors of the company has decided to voluntarily adopt Ind AS framework for purposes of financial reporting from the accounting year 2020-21 vide meeting 10th March, 2021. Accordingly, on 1st April, 2019, being the date of transition, the company recognized transitional entries in its opening retained earnings as on that date.

Since the transferor and transferee companies are under common control, the Company has considered the method of accounting as per Appendix C of Ind AS 103 "Business Combination" for its transition to Ind AS framework.

### 1. Significant Accounting Policies

#### 1.1 Approval of financial statements:

The financial statements prepared in compliance with Ind AS framework have been approved by the Board of Directors on 11th August, 2021

#### 1.2 Basis of Preparation and Compliance:

The Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The financial statements are prepared on a going concern basis using the accrual concept except for the cash flow information. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the assets or liability if market participants would take those characteristics into the account when pricing the asset or liability at the measurement date.

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 minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 and liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement at a whole) at the end of each reporting period.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

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.

### 1.3 Functional and Presentation Currency:

These Financial Statements are presented in Indian Rupees (INR) which is the functional currency of the company and the currency of the primary economic environment in which the company operates.

### 1.4 Current & non-current classification:

An asset or liability is classified as current if it satisfies any of the following conditions:

- a) the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
- b) the asset is intended for sale or consumption;
- c) the asset/liability is held primarily for the purpose of trading;
- d) the asset/liability is expected to be realized/ settled within twelve months after the reporting period;
- e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- f) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 1.5 Property, Plant and Equipment (PPE):

- i. PPE are tangible items that:
  - a) are held for use in the supply of services or for administrative purposes and
  - b) are expected to be used during more than one period.
- ii. The cost of an item of PPE is recognised as an asset if, and only if:
  - a) it is probable that future economic benefit associated with the item will flow to the entity; and
  - b) the cost of the items can be measured reliably.
- iii. For transition to IndAS framework, the Company has elected to continue with the carrying value of all of its PPE recognised as of 1st April, 2019 (transition date) measured as per the previous IGAAP, as its deemed cost as on the transition date.
- iv. PPE are stated at cost less accumulated depreciation and accumulated impairment loss if any. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which such costs are incurred. Any gain or loss on disposal of an item of PPE is recognized in the statement of Profit and Loss.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in para no Ind AS 16 – Property, Plant and Equipment.

An item of tangible or intangible asset is de-recognised 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 is determined as the difference between the sale proceeds and the carrying amount of the asset, if any and is recognised in the Statement of Profit and Loss.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### Capital work in progress and Capital advance:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advance given towards acquisition of PPE outstanding at each Balance Sheet date is disclosed as Other Non-Current Asset.

### Depreciation:

Depreciation on each part of an item of PPE is provided using the Straight-Line Method based on the useful life of the asset leaving a residual value not exceeding 5%, as provided in Schedule II of the Companies Act, 2013 and is charged to the Statement of Profit and Loss.

Depreciation on addition is provided on a pro-rata basis from the month of installation / acquisition of an asset. Depreciation on deductions/ disposals is provided on a pro-rata basis up to the month of deduction / disposal. Leasehold improvements are amortized over the period of the lease.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### 1.6 Investment Property

Properties held to earn rental income or for capital appreciation or both and that is not occupied by the Company is classified as Investment Property. It is measured initially at cost of acquisition including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the asset carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

Depreciation is provided on straight line method by adopting useful life prescribed under schedule II to the Companies Act, 2013 after retaining 5% of Original cost as residual value for Buildings. Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined by property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

### 1.7 Non Current assets held for sale

The company classifies an item of PPE as a non current asset held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non current assets held for sale are measured at their carrying value / fair value less cost to be incurred for its disposal. An item of non current asset held for sale is not subject to any depreciation during the period it is held for sale.

### 1.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment loss if any. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed annually, and the effect of any change in the estimate is accounted for on a prospective basis. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and capitalized when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Intangible assets identified to have infinite economic useful lives are tested for an annual impairment exercise and any impairment loss identified is recognized in the statement of profit and loss.

### 1.9 Impairment of non current Assets

At the end of each reporting period, the company reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized annually and whenever there is an indication that the asset may be impaired.

### 1.10 Inventories:

Raw materials and other inventories are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

- Raw material, Stores and spares – First in First Out Basis.
- Finished goods and Work-in-process – Cost of production which comprises of direct material costs, direct wages and applicable overheads.

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

Goods in transit are recognized at cost.

### 1.11 Financial instruments:

#### Financial assets:

#### a) Initial recognition:

##### Initial Recognition

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### Subsequent Measurement

##### Financial Asset measured at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

##### Financial assets at fair value through other comprehensive income: (FVTOCI)

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

##### Financial assets at Fair Value Through Profit or Loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

#### b) Impairment of financial assets:

Financial assets, other than those recognized at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company has adopted a modified approach for assessing expected credit loss.

#### De-recognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the ownership of the financial asset.



# Notes to Financial Statements

for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

## Financial liabilities:

### a) Initial recognition:

All financial liabilities are initially recognised at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

### b) Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability or an equity instrument.

### c) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

### d) De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## 1.12 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## 1.13 Revenue Recognition:

### Revenue from Contract with Customers

Revenue recognition underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged.

### Sale of Goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

The revenue is measured based on the transaction price, which is the consideration, adjusted for discounts if any, as specified in the contract with the customer. Revenue is disclosed net of taxes collected from customers.

### Sale of Services

The company recognizes revenue when performance obligation as promised is satisfied with a transaction price and where there is no uncertainty as to the measurement or collectability of the consideration. Revenue from annual maintenance contract is recognized proportionately over the period in which such services are rendered.

### Other Income

#### Dividend

Dividend income from investments is recognized when the right to receive the same is established.

### Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, taking into account the amount outstanding and effective interest rate.

## 1.14 Employee Benefits:

### (a) Short term employee benefits:

Un-discounted short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as expense during the period when the employees render service. Corresponding liabilities are presented as Current Employee Benefit Obligations in the balance Sheet.

# Notes to Financial Statements

for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

## (b) Post-employment benefits:

(i) **Defined Contribution Plans:** Contribution to Defined Contribution Schemes towards retirement benefits in the form of Provident fund is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders related service.

### (ii) Defined Benefit Plans:

Annual contributions are made to the approved Gratuity Funds as permitted by Indian Law. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the balance sheet date, determined every year using the Projected Unit Credit method.

Re-measurements comprising of actuarial gains / 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 immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through other comprehensive income in the period in which they occur.

The following components of the net defined benefit obligation are recognized as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

### (c) Other Long-term Employee Benefits:

Entitlement to privilege leave is recognised when it accrues to the employees. Privilege leave can be accumulated subject to restriction as mentioned in the leave policy. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

## 1.15 Borrowing Costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

## 1.16 Foreign Currency Transactions:

### a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

### b) Measurement of foreign currency items at the reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### c) Recognition of exchange difference:

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks, which are recognised in Other comprehensive income and later to statement of profit and loss.

## 1.17 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration 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). When some or all of the economic benefits

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.
- a possible obligation arising from past events, unless the possibility of out flow of resources is remote.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 1.18 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### a) Company as lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets (ROU) representing the right to use the underlying assets, during the lease period.

#### b) Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at the fair value of future lease payments discounted by the incremental cost of borrowing less any accumulated depreciation and impairment losses. The corresponding lease liability carried is adjusted for any re-measurement as at the date of the Balance sheet. A Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use asset is also subject to impairment.

#### c) Lease Liabilities:

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. In calculating the present value of lease payments, the Company uses its incremental borrowing rate. 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 or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right -of-use assets have been presented appropriately in the balance sheet.

#### d) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of Land and Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short term leases are recognized as expense as and when incurred.

#### e) Company as Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

### 1.19 Taxes on Income:

Taxes on income comprise of current and deferred taxes.

#### a) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for the period. Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to taxes payable in respect of previous years.

## Notes to Financial Statements for the year ended 31st March, 2021

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### b) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

### c) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively

### 1.20 Events after the reporting period

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 1.21 Segment Reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision maker (CODM) in the Company to make decisions for performance assessment and resource allocation. Accordingly, the company has identified the manufacture and sale of goods and services in defence electronics as the only segment in which the company operates.

### 1.22 Earnings per Share (EPS):

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equities shares issued during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### 1.23 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are based on classification made in a manner considered most appropriate to Company's business.

### 1.24 Use of estimates:

The preparation of financial statements in conformity with IndAS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss in (a) the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilities is recognized by adjusting the carrying amount of the related asset, liability in the period of the change.

## Notes to Financial Statements for the year ended 31st March, 2021

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### Key estimates and judgements

Key assumption concerning the future and other key sources of estimating uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

#### a. Useful life of Property, Plant and Equipments

The Company reviews the estimated useful lives of Property, plant and equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

#### b. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the financial statements.

#### c. Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with income tax and regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such issues are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in the Notes to the financial statements.

#### d. Impairment of Financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 1.25 First time adoption of IND AS framework:

These financial statements, for the year ended 31 March, 2021, are the first financial statements prepared in compliance with Ind AS framework by the company. For periods up to and including the year ended 31 March, 2020, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with relevant Rules made there under ('Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS framework applicable for the year ended 31st March, 2021, together with the comparatives as at and for the year ended 31 March, 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2019, being the date of transition to Ind AS framework. An explanation of how the transition from previous GAAP to Ind AS framework has affected the Company's financial position, financial performance and cash flows is set out below:

- Transition election
- Reconciliation of Total equity as previously reported under previous GAAP to Ind AS framework
- Reconciliation of Profits as previously reported under previous GAAP to Ind AS framework
- Reconciliation of Cash flows as previously reported under previous GAAP to Ind AS framework

### Optional exemptions availed under Ind AS 101 – First time adoption of Indian accounting standard

The Company in applying Ind AS principle for measurement of recognised assets and liabilities is subject to certain optional exemptions, apart from mandatory exceptions, availed by the Company as detailed below:

- Deemed Cost for property, plant and equipment, investment property, and intangible assets
- Business combinations
- Leases

#### a. Deemed Cost for property, plant and equipment, investment property, and intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

## Notes to Financial Statements for the year ended 31st March, 2021

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Accordingly, the Company has elected to measure all of its property, plant & equipment at their previous GAAP carrying value as on the transition date as prescribed under para D7AA of Ind AS 101.

#### b. Business combinations

The Company has elected to apply Ind AS relating to business combinations (Ind AS 103) prospectively from 1st April, 2019. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward without adjustment.

#### c. Leases

The Company has elected to recognize Right of Use assets and Lease Liabilities as at date of transition to Ind AS (01st April, 2019) as prescribed under para D9B in Ind AS 101.

### Mandatory exemptions

The Mandatory exceptions applicable to the Company are given below:

- Estimates
- Derecognition of assets and liabilities
- Classification and measurement of financial assets and liabilities

#### a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP.

Ind AS estimates as at 1st April, 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### b. Derecognition of Financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

#### c. Classification and measurement of Financial assets

Company measures and classifies all financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS as prescribed by Ind AS 101.



## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### Note No 1.25

#### Reconciliation between Total equity as previously reported under previous GAAP and Ind AS framework

Particulars	Note Reference	As at 3/31/2020	As at 4/1/2019
<b>Total Equity as per Previous GAAP</b>		<b>154.30</b>	<b>133.45</b>
Fair Valuation of Security Deposits	A	(0.38)	(0.40)
Impact of Lease accounting as per IND AS 116	B	(0.24)	-
<b>Total Equity as reported in IND AS</b>		<b>153.68</b>	<b>133.05</b>

### Explanatory notes

#### Note A

Under the Indian GAAP, interest free refundable security deposits (given) were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised in retained earnings. The security deposits are subsequently accreted with Interest under effective interest rate method.

#### Note B

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and Right of use Asset (ROU) is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

#### Reconciliation between Profit as previously reported under previous GAAP and Ind AS framework

Particulars	Note Reference	For the year ended 3/31/2020
<b>Profit as reported under previous GAAP</b>		<b>21.27</b>
Actuarial gain/losses on remeasurement of the Defined benefit obligation (Net of tax)	A	0.04
Fair Valuation of Security Deposits	B	0.01
Impact of Lease accounting as per IND AS 116	C	(0.24)
<b>Total Ind AS Adjustments in Statement of Profit and Loss</b>		<b>(0.19)</b>
<b>Other Comprehensive income</b>		
Actuarial gain/losses on remeasurement of the Defined benefit obligation (Net of tax)		(0.04)
<b>Total Comprehensive Income as per Ind AS</b>		<b>21.04</b>

### Explanatory notes

#### Note A

Under the Indian GAAP, actuarial gains / losses on defined benefit obligations were recognised in the statement of profit and loss. Under Ind AS, remeasurements of actuarial gains and losses on the defined benefit obligations are recognised in other comprehensive income instead of the statement of profit and loss.

#### Note B

Under the Indian GAAP, interest free refundable security deposits (given) were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised in retained earnings. The security deposits are subsequently accreted with Interest under effective interest rate method.

#### Note C

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and Right of use Asset (ROU) is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

## Notes to Financial Statements for the year ended 31st March, 2021

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### Reconciliation between Cash flows as previously reported under previous GAAP and Ind AS framework

Particulars	For the year ended 3/31/2021	For the year ended 3/31/2020
<b>As per Previous GAAP</b>		
Net cash generated from/(used in) operating activities*	52.37	10.71
Net cash generated from/(used in) investing activities	(2.75)	1.40
Net cash generated from/(used in) financing activities*	(42.33)	(10.91)
Net increase/(decrease) in cash and cash equivalents	<b>7.29</b>	<b>1.20</b>
<b>As per IND AS</b>		
Net cash generated from/(used in) operating activities*	54.90	13.45
Net cash generated from/(used in) investing activities	(2.75)	1.40
Net cash generated from/(used in) financing activities*	(44.86)	(13.65)
Net increase/(decrease) in cash and cash equivalents	<b>7.29</b>	<b>1.20</b>
<b>Effect of Transition to Ind AS</b>		
Net cash generated from/(used in) operating activities*	2.53	2.74
Net cash generated from/(used in) investing activities	-	-
Net cash generated from/(used in) financing activities*	(2.53)	(2.74)
Net increase/(decrease) in cash and cash equivalents	-	-

Difference is due to presentation of interest cost and lease liability payments under financing activity

### Reconciliation between IGAAP and Ind AS Financial Statements

Balance Sheet	IGAAP Financials		Ind AS Adjustments / Reclassifications/Ind AS Adjustments/ Reclassifications		Ind AS Financials	
Particulars	As at 31st March , 2020	As at 01st April , 2019	As at 31st March , 2020	As at 01st April, 2019	As at 31st March, 2020	As at 01st April , 2019
<b>ASSETS</b>						
<b>Non-current assets</b>						
(a) Property, Plant and Equipment	27.82	29.42	-	-	27.82	29.42
(b) Intangible Assets	0.16	0.23	-	-	0.16	0.23
(c) Right of Use Assets	-	-	5.60	7.01	5.60	7.01
(d) Other Financial Assets	46.86	39.43	(0.38)	(0.40)	46.48	39.03
	<b>74.84</b>	<b>69.08</b>	<b>5.22</b>	<b>6.61</b>	<b>80.06</b>	<b>75.69</b>
<b>Current assets</b>						
(a) Inventories	79.42	86.69	-	-	79.42	86.69
(b) Financial Assets			-	-		
(i) Trade receivables	115.63	102.94	-	-	115.63	102.94
(ii) Cash and cash equivalents	1.51	0.31	-	-	1.51	0.31
(iii) Other Financial Assets	3.72	0.31	-	-	3.72	0.31
(c) Other current assets	15.26	11.71	-	-	15.26	11.71
	<b>215.54</b>	<b>201.96</b>	<b>-</b>	<b>-</b>	<b>215.54</b>	<b>201.96</b>
<b>TOTAL</b>	<b>290.38</b>	<b>271.04</b>	<b>5.22</b>	<b>6.61</b>	<b>295.60</b>	<b>277.65</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Share capital	1.70	1.70	-	-	1.70	1.70
(b) Other Equity	152.60	131.75	(0.62)	(0.40)	151.98	131.35
	<b>154.30</b>	<b>133.45</b>	<b>(0.62)</b>	<b>(0.40)</b>	<b>153.68</b>	<b>133.05</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

Balance Sheet	IGAAP Financials		Ind AS Adjustments / ReclassificationsInd AS Adjustments/ Reclassifications		Ind AS Financials	
Particulars	As at 31st March , 2020	As at 01st April , 2019	As at 31st March , 2020	As at 01st April , 2019	As at 31st March , 2020	As at 01st April , 2019
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	0.55	-	-	-	0.55	-
(ii) Other Financial Liabilities	-	-	3.85	5.93	3.85	5.93
(b) Provisions	5.64	4.77	-	-	5.64	4.77
(c) Deferred Tax Liability (Net)	0.91	0.98	(0.09)	-	0.82	0.98
(d) Other Non Current liabilities	14.32	25.19	-	-	14.32	25.19
	<b>21.42</b>	<b>30.94</b>	<b>3.76</b>	<b>5.93</b>	<b>25.18</b>	<b>36.87</b>
<b>Current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	59.85	58.16	-	-	59.85	58.16
(ii) Trade payables			-	-		
(a) Total outstanding dues of micro and small enterprises	0.55	1.38	-	-	0.55	1.38
(b) Total outstanding dues of creditors other than micro and small enterprises	16.71	14.48	-	-	16.71	14.48
(iii) Other Financial Liabilities	8.08	5.58	2.08	1.08	10.16	6.66
(b) Other current liabilities	22.47	24.77	-	-	22.47	24.77
(c) Provisions	1.48	1.44	-	-	1.48	1.44
(d) Current tax Liabilities	5.52	0.84	-	-	5.52	0.84
	<b>114.66</b>	<b>106.65</b>	<b>2.08</b>	<b>1.08</b>	<b>116.74</b>	<b>107.73</b>
<b>TOTAL</b>	<b>290.38</b>	<b>271.04</b>	<b>5.22</b>	<b>6.61</b>	<b>295.60</b>	<b>277.65</b>

### Reconciliation between IGAAP and Ind AS Financial Statements

Statement of Profit and Loss	IGAAP	Ind AS Adjustments / ReclassificationsInd AS Adjustments/ Reclassifications	Ind AS Financials
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2020
<b>I. Revenue from Contract with Customers</b>	156.10	-	156.10
<b>II. Other Income</b>	4.09	0.01	4.10
<b>III. Total Revenue</b>	<b>160.19</b>	<b>0.01</b>	<b>160.20</b>
<b>IV. Expenses:</b>			
a) Cost of materials consumed	53.22	-	53.22
b) Changes in inventories of finished goods, work in progress and stock-in-trade	2.87	-	2.87
c) Employee benefits expenses	42.32	(0.05)	42.27
d) Finance cost	12.73	0.61	13.34
e) Depreciation / Amortisation	3.01	2.45	5.46
f) Other expenses	17.31	(2.74)	14.57
<b>Total Expenses</b>	<b>131.46</b>	<b>0.27</b>	<b>131.73</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

Statement of Profit and Loss	IGAAP	Ind AS Adjustments / ReclassificationsInd AS Adjustments/ Reclassifications	Ind AS Financials
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2020
<b>V. Profit before tax</b>	28.73	(0.26)	28.47
<b>VI. Tax expense:</b>			
a) Income Tax	7.54	0.01	7.55
b) Deferred Tax	(0.08)	(0.08)	(0.16)
<b>VII. Profit(Loss)for the period</b>	<b>21.27</b>	<b>(0.19)</b>	<b>21.08</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Statement of Profit and Loss in subsequent periods:</b>			
Re-measurement Gain / (Loss) on Defined Benefit Obligations	-	(0.05)	(0.05)
Income tax Effect on the above	-	0.01	0.01
<b>Other Comprehensive Income/(Loss) for the Year</b>	-	(0.04)	(0.04)
<b>IX. Total Comprehensive Income for the year</b>	<b>21.27</b>	<b>(0.23)</b>	<b>21.04</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

Particulars	Property Plant and Equipment										Intangible Assets
	Leasehold Land	Buildings	Plant & Machinery	Air Conditioning Systems	Computer	Electrical Fixtures	Furniture & Fittings	Office Equipments	Vehicles	Total	
<b>Gross Block</b>											
As at 1st April, 2019	1.31	10.69	13.80	1.23	0.40	0.57	0.77	0.26	0.39	29.42	0.23
Additions	-	-	0.34	-	0.06	-	0.00	0.17	0.88	1.45	-
Deletions	-	-	-	-	-	-	-	-	(0.12)	(0.12)	-
As at 31st March, 2020	1.31	10.69	14.13	1.23	0.46	0.57	0.77	0.43	1.15	30.75	0.23
As at 1st April, 2020	1.31	10.69	14.13	1.23	0.46	0.57	0.77	0.43	1.15	30.75	0.23
Additions	-	-	1.24	0.03	3.64	0.13	0.02	0.14	-	5.20	0.49
Deletions	(0.60)	-	-	-	-	-	-	-	-	(0.60)	-
As at 31st March, 2021	0.71	10.69	15.37	1.26	4.10	0.70	0.79	0.57	1.15	35.35	0.72
<b>Accumulated Depreciation / Amortization</b>											
As at 1st April, 2019	-	-	-	-	-	-	-	-	-	-	-
For the Year	0.02	0.51	1.60	0.23	0.10	0.07	0.09	0.09	0.22	2.93	0.07
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	0.02	0.51	1.60	0.23	0.10	0.07	0.09	0.09	0.22	2.93	0.07
As at 1st April, 2020	0.02	0.51	1.60	0.23	0.10	0.07	0.09	0.09	0.22	2.93	0.07
Additions	0.01	0.51	1.61	0.23	0.46	0.07	0.09	0.10	0.13	3.21	0.09
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2021	0.03	1.02	3.21	0.46	0.56	0.14	0.18	0.19	0.35	6.14	0.16
<b>Net Carrying Value as on 31st March, 2021</b>	0.68	9.67	12.16	0.80	3.54	0.56	0.61	0.38	0.80	29.21	0.56
Net Carrying Value as on 31st March, 2020	1.29	10.18	12.53	1.00	0.36	0.50	0.68	0.34	0.93	27.82	0.16
Net Carrying Value as on 01st April, 2019	1.31	10.69	13.80	1.23	0.40	0.57	0.77	0.26	0.39	29.42	0.23

### Assets pledged as security

Fixed assets of the company carry pari-passu charge as security for working capital and term loan facilities availed.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### Transitional provisions as per IND AS

In accordance with Ind AS transitional provisions, the Company has opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost as on the transition date i.e. 01st April, 2019.

The following table provides the value of gross block and the carrying value considered in previous GAAP as on 01st April 2019.

DESCRIPTION	As at 01st April, 2019		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE AS PER PREVIOUS GAAP
<b>PROPERTY PLANT AND EQUIPMENT</b>			
Leasehold Land	1.47	0.16	1.31
Buildings	16.20	5.51	10.69
Plant & Machinery	24.18	10.38	13.80
Air Conditioning Systems	3.25	2.02	1.23
Computer	4.08	3.68	0.40
Electrical Fixtures	4.05	3.48	0.57
Furniture & Fittings	5.73	4.96	0.77
Office Equipments	1.19	0.93	0.26
Vehicles	1.96	1.57	0.39
	<b>62.11</b>	<b>32.69</b>	<b>29.42</b>
<b>INTANGIBLE ASSETS</b>			
Software	0.51	0.28	0.23
	<b>0.51</b>	<b>0.28</b>	<b>0.23</b>
	<b>62.62</b>	<b>32.97</b>	<b>29.65</b>

### Note 3 - Right of Use Assets

Particulars	Buildings	Furniture	Vehicles	Total
<b>Gross Block</b>				
As at 1st April, 2019	5.93	0.28	0.80	7.01
Additions	1.05	-	-	1.05
Deletions	-	-	-	-
As at 31st March, 2020	6.98	0.28	0.80	8.06
As at 1st April, 2020	6.98	0.28	0.80	8.06
Additions	-	-	0.10	0.10
Deletions	(1.58)	-	(0.16)	(1.74)
As at 31st March, 2021	5.40	0.28	0.74	6.42
<b>Accumulated Amortization</b>				
As at 1st April, 2019	-	-	-	-
For the Year	2.07	0.07	0.31	2.45
Deletions	-	-	-	-
As at 31st March, 2020	2.07	0.07	0.31	2.45
As at 1st April, 2020	2.07	0.07	0.31	2.45
For the Year	1.90	0.07	0.30	2.27
Deletions	(1.58)	-	(0.16)	(1.74)
As at 31st March, 2021	2.39	0.14	0.45	2.98
Net Carrying Value as on 31st March, 2021	3.01	0.14	0.29	3.44
Net Carrying Value as on 31st March, 2020	4.91	0.21	0.49	5.60
Net Carrying Value as on 01st April, 2019	5.93	0.28	0.80	7.01



## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 4 OTHER FINANCIAL ASSETS

(At Amortized Cost)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Security Deposits	1.41	2.32	2.29
Margin Money Deposits	32.66	44.16	36.74
<b>Total</b>	<b>34.07</b>	<b>46.48</b>	<b>39.03</b>

### NOTE NO 5 INVENTORY

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Raw Materials	42.48	40.72	45.12
Work-in-progress	17.18	15.77	10.66
Finished goods	14.08	22.93	30.91
<b>Total</b>	<b>73.74</b>	<b>79.42</b>	<b>86.69</b>

### NOTE NO 6 TRADE RECEIVABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Unsecured:</b>			
Considered Good	155.94	115.63	102.94
<b>Total</b>	<b>155.94</b>	<b>115.63</b>	<b>102.94</b>

### NOTE NO 7 CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Balance with Banks			
- In Current Account	8.79	1.47	0.29
Cash on Hand	0.01	0.04	0.02
<b>Total</b>	<b>8.80</b>	<b>1.51</b>	<b>0.31</b>

### NOTE NO 8 OTHER FINANCIAL ASSETS

(At Amortised Cost)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Security Deposits	0.15	-	-
Advances to Employees	0.44	0.21	0.18
Interest accrued but not due	3.60	3.51	0.13
Other advances	0.18	-	-
Other Receivables	0.72	-	-
<b>Total</b>	<b>5.09</b>	<b>3.72</b>	<b>0.31</b>

### NOTE NO 9 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Balance With Government Authorities	4.00	2.40	4.31
Prepaid Expenses	7.00	6.95	4.02
Advance to Suppliers	6.75	5.91	3.38
<b>Total</b>	<b>17.75</b>	<b>15.26</b>	<b>11.71</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 10 EQUITY SHARE CAPITAL

#### 10(a) Details of Share Capital outstanding at the beginning and end of reporting period

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Authorised</b>			
20,00,000 Equity shares of Rs.10 each	2.00	2.00	2.00
5,75,000 9% Redeemable Optionally Convertible Cumulative Preference Shares of Rs.100 each	5.75	5.75	5.75
	<b>7.75</b>	<b>7.75</b>	<b>7.75</b>
Issued, Subscribed and Fully Paid up			
16,99,790 Equity shares of Rs.10 each	1.70	1.70	1.70
	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>

#### 10(b) - Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2021	
	No of shares	Amount
Number of shares outstanding at the beginning of the year	16,99,790	1.70
Number of shares outstanding at the end of the year	16,99,790	1.70

Particulars	As at 31st March, 2020	
	No of shares	Amount
Number of shares outstanding at the beginning of the year	16,99,790	1.70
Number of shares outstanding at the end of the year	16,99,790	1.70

Particulars	As at 31st March, 2019	
	No of shares	Amount
Number of shares outstanding at the beginning of the year	16,99,790	1.70
Number of shares outstanding at the end of the year	16,99,790	1.70

#### 10(c) - Details of shareholder holding more than 5% shares as at the beginning and the end of reporting period are as follows:

Particulars	As at 31st March, 2021	
	No of shares	%
Mr. S. Rangarajan	5,73,966	33.77%
Mrs. Rekha Rangarajan	3,79,703	29.59%
Oman India Joint Investment Fund	3,33,887	19.64%

Particulars	As at 31st March, 2020	
	No of shares	%
Mr. S. Rangarajan	6,58,956	38.76%
Mrs. Rekha Rangarajan	5,02,938	29.59%
Oman India Joint Investment Fund	3,33,887	19.64%
Indus Teqsite Employee Reward Trust	1,19,600	7.04%

Particulars	As at 31st March, 2019	
	No of shares	%
Mr. S. Rangarajan	6,58,956	38.76%
Mrs. Rekha Rangarajan	5,02,938	29.59%
Oman India Joint Investment Fund	3,33,887	19.64%
Indus Teqsite Employee Reward Trust	1,19,600	7.04%

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 11 OTHER EQUITY

(At Amortised Cost)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Capital Reserve</b>			
Opening Balance	0.30	0.30	0.30
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>
<b>Securities Premium:</b>			
Opening Balance	33.49	33.49	33.49
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	<b>33.49</b>	<b>33.49</b>	<b>33.49</b>
<b>General Reserve:</b>			
Opening Balance	9.16	9.16	9.16
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	<b>9.16</b>	<b>9.16</b>	<b>9.16</b>
<b>Surplus in Statement of Profit and Loss:</b>			
Opening Balance	109.07	88.40	88.40
Add: Profit after Tax	55.56	21.08	-
Less: Dividend paid	(0.34)	(0.34)	-
Less: Dividend Distribution tax paid	-	(0.07)	-
Closing Balance	<b>164.29</b>	<b>109.07</b>	<b>88.40</b>
<b>Other Comprehensive Income:</b>			
Opening Balance	(0.04)	-	-
Additions during the year	(0.96)	(0.04)	-
Deletions during the year	-	-	-
Closing Balance	(1.00)	(0.04)	-
<b>Total</b>	<b>206.24</b>	<b>151.98</b>	<b>131.35</b>

### Nature and purpose of reserves

**Capital Reserve:** The above capital reserve represents the difference between the net assets acquired and the carrying value of investment in the wholly owned subsidiary on merger.

**General Reserve:** Represents appropriation from one component of equity to another, not being an item of Other Comprehensive Income.

**Securities Premium:** Represents the premium on issue of equity shares.

**Surplus in Statement of Profit and Loss:** Represents retained earnings to the extent not appropriated to the general reserve or distributed otherwise.

### Items of Other Comprehensive Income

- i) Re-measurement of Net Defined Benefit Plan: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 12 BORROWINGS

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Secured</b>			
From Banks	9.37	-	-
From Others	0.40	0.55	-
<b>Total</b>	<b>9.77</b>	<b>0.55</b>	<b>-</b>

#### Sub-ordinated debt from Small Industries Development Bank of India (SIDBI)

Company obtained a unsecured loan from SIDBI for Rs.10 crores during March 2013 with an interest rate of 15.75%. The loan was classified as sub-ordinated debt under Growth and assistance scheme for MSME. The loan was to repaid in 60 monthly installments after a initial moratorium period of 24 months. The entire loan was repaid by Feb 2020 as per the repayment terms provided in the sanction letter.

#### Term loan from State Bank of India (SBI)

State Bank of India has sanctioned Guaranteed Emergency Credit Line (GECL) of Rs.5.04 crores to the company during March 2021. The loan is for the Covid assistance and is under Government Guarantee. It is also secured by a pari-passu charge over the primary and collateral securities along with other lenders under the Multiple Banking Arrangement. The Loan is repayable in 36 monthly installments after 12 months of moratorium and interest rate for the loan is 0.75% above the EBLR, maximum interest rate being 9.25%. Effective rate at the time sanctioning the loan is 7.40%.

#### Term loan from Housing Development Finance Corporation (HDFC) Bank

HDFC sanctioned a term loan of Rs. 36 Crores during the Financial year 2020 21. The loan is repayable in 5 years with an initial moratorium period of 1 year .Interest rate for the loan is 9.25%. The term loan is secured by first ranking pari-passu charge on all the moving fixed assets of the Company and fixed assets of Indus Teqsite Private Limited along with the other banks as primary security and pari-passu charge on the land and building at Rs.-9. SIPCOT IT Park, Siruseri, Chennai – 603103, personal guarantee of the directors. The Company has so far drawn Rs. 5 Crores out of the above term loan sanctioned upto March 2021.

### NOTE NO 13 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Lease Liabilities	2.43	3.85	5.93
<b>Total</b>	<b>2.43</b>	<b>3.85</b>	<b>5.93</b>

### NOTE NO 14 PROVISIONS

Particulars	Non Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Provision for Gratuity	7.59	5.01	4.23
Provision for Compensated absences	0.93	0.63	0.54
<b>Total</b>	<b>8.52</b>	<b>5.64</b>	<b>4.77</b>

Particulars	Current		
	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Provision for Gratuity	0.59	1.40	1.36
Provision for Compensated absences	0.12	0.08	0.08
Provision for Corporate social responsibility	0.24	-	-
<b>Total</b>	<b>0.95</b>	<b>1.48</b>	<b>1.44</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 15 DEFERRED TAX LIABILITY/ (ASSET)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>A. Deferred Tax Liabilities:</b>			
Property Plant and Equipment	2.64	2.65	2.98
Right of Use Assets	0.87	1.41	
<b>Total Deferred Tax Liabilities (A)</b>	<b>3.51</b>	<b>4.06</b>	<b>2.98</b>
<b>B. Deferred Tax Assets:</b>			
Expenditure allowable on payment basis	1.65	1.75	2.00
Lease Liabilities	0.99	1.49	-
<b>Total Deferred Tax Assets (B)</b>	<b>2.64</b>	<b>3.24</b>	<b>2.00</b>
<b>Deferred Tax Liability /(Asset) / (Net) (A-B)</b>	<b>0.87</b>	<b>0.82</b>	<b>0.98</b>

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Opening Balance</b>	0.82	0.98	1.75
Recognized in Profit and loss statement	0.05	(0.16)	(0.77)
Recognized in Other comprehensive Income	-	-	-
<b>Closing Balance</b>	<b>0.87</b>	<b>0.82</b>	<b>0.98</b>

### NOTE NO 16 NON CURRENT LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Contract Liabilities	27.37	14.32	25.19
<b>Total</b>	<b>27.37</b>	<b>14.32</b>	<b>25.19</b>

### NOTE NO 17 BORROWINGS

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Secured Loans repayable on demand from Banks</b>			
(i) Working capital demand loans	21.30	36.92	42.15
<b>Unsecured Loans</b>			
From Banks	0.29	2.65	-
From Directors	0.51	13.84	16.01
From Others	0.58	6.44	-
<b>Total</b>	<b>22.68</b>	<b>59.85</b>	<b>58.16</b>

Working capital demand loans represent facilities availed from Banks secured by a charge on book debts and inventory and first charge on entire assets of the company both present and future and is also personally guaranteed by two promoter directors of the company.

### NOTE NO 18 TRADE PAYABLES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Trade Payables</b>			
- Total outstanding dues of Micro and Small Enterprises	0.24	0.55	1.38
- Total outstanding dues of creditors other than Micro and Small Enterprises	11.76	16.71	14.48
<b>Total</b>	<b>12.00</b>	<b>17.26</b>	<b>15.86</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

The Company has certain dues to Suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

The information required to be disclosed under Micro Small & Medium Enterprises Development Act, 2006 (The MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company.

The disclosure pursuant to said MSMED Act are as follows :

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
(i) The amounts remaining unpaid to suppliers as at the end of the year			
Principal	0.24	0.55	1.38
Interest		-	-
(ii) The amount of interest paid to the buyer in terms of Section 16 of the MSMED Act 2006	0.12		
The amount of the payments made to suppliers beyond the appointed day during each accounting year		2.97	1.91
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	0.12	0.03
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	0.12	0.03
(v) The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	0.12	-

### NOTE NO 19 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Lease Liabilities	1.51	2.08	1.08
Current Maturities of Long term Debts	0.78	0.16	1.98
Interest Payable	-	1.58	0.01
Employee dues	3.33	5.30	3.17
Expenses Payable	0.68	1.04	0.42
<b>Total</b>	<b>6.30</b>	<b>10.16</b>	<b>6.66</b>

### NOTE NO 20 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Contract Liabilities	19.13	18.77	18.57
Statutory Dues	5.51	3.70	6.20
<b>Total</b>	<b>24.64</b>	<b>22.47</b>	<b>24.77</b>

### NOTE NO 21 CURRENT TAX LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Provision for Income tax (Net)	5.13	5.52	0.84
<b>Total</b>	<b>5.13</b>	<b>5.52</b>	<b>0.84</b>



## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 22 REVENUE FROM CONTRACT WITH CUSTOMERS

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Sale of products	196.16	143.02
Sale of Services	27.79	13.08
<b>Total</b>	<b>223.95</b>	<b>156.10</b>

### NOTE NO 23 OTHER INCOME

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Interest from Banks	2.17	2.55
Interest from Other Deposits	0.05	0.02
Foreign Exchange Gain (Net)	0.26	1.35
Profit on Sale of PPE items	-	0.18
Reversal of excess amortization on leasehold land	0.12	-
<b>Total</b>	<b>2.60</b>	<b>4.10</b>

### NOTE NO 24 COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Opening Stock of Raw materials	40.72	45.12
Add: Purchases	64.73	48.82
Less: Closing Stock of Raw materials	42.48	40.72
<b>Consumption of Raw Materials</b>	<b>62.97</b>	<b>53.22</b>

### NOTE NO 25 CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>A. Increase/(Decrease)in Inventories</b>		
<b>A. Opening Stock</b>		
Work-in-progress	15.77	10.66
Finished Stocks	22.93	30.91
	<b>38.70</b>	<b>41.57</b>
<b>B. Closing Stock</b>		
Work-in-progress	17.18	15.77
Finished Stocks	14.08	22.93
	<b>31.26</b>	<b>38.70</b>
<b>Changes in inventories of Work in progress and Finished goods</b>	<b>7.44</b>	<b>2.87</b>

### NOTE NO 26 EMPLOYEE BENEFIT EXPENSE

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Salaries and wages	41.91	36.42
Directors' Remuneration	1.26	1.16
Company's Contribution to Provident and other funds	2.90	2.69
Staff welfare expenses	2.35	2.00
<b>Total</b>	<b>48.42</b>	<b>42.27</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 27 FINANCE COST

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Interest on Borrowings	8.61	8.05
Other Borrowing cost	5.14	4.37
Interest on Lease Liabilities	0.45	0.61
Interest - Others	0.30	0.31
<b>Total</b>	<b>14.50</b>	<b>13.34</b>

### NOTE NO 28 DEPRECIATION / AMORTIZATION

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Depreciation on PPE / Amortization of Intangible Assets	3.30	3.01
Amortization of Right of Use Assets	2.27	2.45
<b>Total</b>	<b>5.57</b>	<b>5.46</b>

### NOTE NO 29 OTHER EXPENSES

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Power and Fuel	2.37	2.52
Rent	0.39	0.37
Bad debts written off	1.00	1.48
Business Promotion Expenses	0.33	0.95
Communication Expenses	0.28	0.25
Freight, Packing and Forwarding	0.17	0.30
Insurance	0.33	0.16
Legal and Professional Expenses	2.58	2.91
Printing and Stationery	0.20	0.25
Rates and Taxes	0.79	0.28
Subscription	0.01	0.01
Travelling Expenses	1.44	2.41
Auditor's remuneration (Refer note below)	0.12	0.12
Repairs and Maintenance	1.77	1.55
Housekeeping and security charges	0.77	0.67
Corporate social responsibility cost	0.29	0.05
Miscellaneous Expenses	0.29	0.29
<b>Total</b>	<b>13.13</b>	<b>14.57</b>

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>Auditor's remuneration:</b>		
Statutory audit fee	0.12	0.12

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 30 INCOME TAX AND DEFERRED TAX

#### Income tax recognized in statement of Profit and loss

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Income tax expense</b>		
Current period	18.91	7.55
Changes in estimates related to prior years	-	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	0.05	(0.16)
<b>Income tax expense</b>	<b>18.96</b>	<b>7.39</b>

#### Income tax recognized in Other comprehensive Income

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Income tax expense</b>		
Remeasurement of the net defined benefit liability/(asset)	(0.32)	(0.01)
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	-
<b>Income tax expense</b>	<b>(0.32)</b>	<b>(0.01)</b>

#### Reconciliation between Book and taxable Profits

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit before tax as shown in the Statement of Profit and Loss (Including taxable components of Other Comprehensive Income)	73.24	28.42
Income not chargeable to tax/ expenses not deductible	0.62	1.55
<b>Total Taxable income</b>	<b>73.86</b>	<b>29.97</b>
Income tax at 25.168%	18.59	7.54
Current tax in Profit and Loss	18.91	7.55
Tax effect on items recognized in Other comprehensive Income	(0.32)	(0.01)
	<b>18.59</b>	<b>7.54</b>

### NOTE NO 31 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
<b>Contingent liabilities:</b>			
<b>Disputed Demands under Appeals</b>			
i) Sales Tax	1.21	0.64	0.64
ii) Service Tax	0.48	0.48	0.48
iii) Income Tax	1.38	1.38	-

Sales tax and service tax demands disputed by the Company and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

#### Uncertainty over Income tax treatment

The Company has on-going disputes with Income Tax Authorities against demands arising on completion of assessment proceedings under Income Tax Act, 1961. The Company has evaluated the above pending disputes and expects that its position will likely be upheld on ultimate resolution and these will not have a material adverse effect on the Company's financial position and results of operations.

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Bank Guarantees	131.59	117.86	104.55

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 31 CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Estimated amount of contracts remaining to be executed on capital contracts to the extent not provided for/ paid	30.68	-	-

### NOTE NO 32 EMPLOYEE BENEFIT PLANS

#### a) Defined contribution plans

The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under this scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contribution to provident fund recognised in statement of profit and loss	1.91	1.73

#### b) Defined benefit plans

Gratuity liability has been provided based on the actuarial valuation carried out at the year end.

The company has a gratuity scheme in respect of which company's contribution is funded through an approved trust fund.

The details of actuarial valuation in respect of Gratuity is furnished hereunder:

	As at 31st March 2021	As at 31st March 2020
<b>i) Change in Defined Benefit Obligation (DBO) during the year:</b>		
<b>Present value DBO at the beginning of the year</b>	<b>6.58</b>	<b>5.80</b>
Service cost	0.46	0.53
Interest cost	0.45	0.45
Remeasurement(gain)/loss	-	-
Actuarial (gain)/loss arising from experience adjustments	1.26	0.05
Benefits paid	(0.17)	(0.25)
<b>Present value DBO at the end of the year</b>	<b>8.58</b>	<b>6.58</b>
<b>ii) Change in fair value of plan assets during the year:</b>		
<b>Fair value of plan assets as at beginning of the year</b>	<b>0.17</b>	<b>0.29</b>
Expected return on planned assets	(0.00)	0.03
Contributions	0.40	0.10
Benefits paid	(0.17)	(0.25)
Re-measurement gain/(loss)	-	-
<b>Fair value of plan asset at the end of the year</b>	<b>0.40</b>	<b>0.17</b>
<b>iii) Amount recognised in the balance sheet</b>		
Present value DBO at the end of the year	8.58	6.58
Fair value of the plan assets at the end of the year	0.40	0.17
<b>(Liability) / Asset recognised in the Balance sheet - net</b>	<b>(8.18)</b>	<b>(6.41)</b>
<b>iv) Components of employer expenses:</b>		
Current service cost	0.46	0.53
Interest cost/ (income) on net defined benefit obligation	0.44	0.36
<b>Expense recognised in Statement of Profit t and Loss</b>	<b>0.90</b>	<b>0.89</b>
<b>v) Re-measurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	0.01	(0.01)
Actuarial loss arising from changes in financial assumptions	0.01	0.44
Actuarial loss arising from changes in experience adjustments	1.26	(0.38)
<b>Re-measurements recognised in other comprehensive income</b>	<b>1.28</b>	<b>0.05</b>

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 32 EMPLOYEE BENEFIT PLANS (CONTD.)

#### ASSUMPTIONS

The principal assumptions used for the purposes of the actuarial valuations are given below

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount rate	7.77%	7.77%
Expected rate of return	6.85%	6.87%
Expected salary increment	5.00%	5.00%
Attrition rate	5.00%	5.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	

#### Sensitivity analysis - DBO at the end of the year

Particulars	As at 31st March, 2021	As at 31st March, 2020
i Discount -1%	(0.62)	(0.47)
ii Discount +1%	0.71	0.55
iii Escalation -1%	0.39	0.49
iv Escalation +1%	(0.55)	(0.16)
v Mortality x 95%	-	-
vi Mortality x 105%	-	-
vii Attrition x 95%	0.12	0.09
viii Attrition x 105%	(0.13)	(0.10)
ix Rs.10,00,000 Benefit Ceiling		
x No Benefit Ceiling		

Particulars	As at 31st March, 2021	As at 31st March, 2020
Weighted average duration of DBO ( in years)	10	10
Expected cash flows		
1 Expected employer contribution in the next year		
2 Expected benefit payments		
Year 1	0.59	0.50
Year 2	0.96	0.40
Year 3	0.95	0.66
Year 4	0.61	4.13
Year 5	1.33	0.46
Beyond 5 years	12.58	10.15

The Company is exposed to various risks in providing gratuity benefit which are as follows:

- (a) **Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- (b) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- (c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- (d) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 33 EARNINGS PER SHARE

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit after taxation	55.56	21.08
Weighted average number of equity shares outstanding during the period	16,99,790	16,99,790
Basic and diluted earnings per share- ( Face value – Rs.10/- per share ) in INR	327	124

### 34 DETAILS ON UNHEDGED FOREIGN CURRENCY EXPOSURES

Particulars	Currency	As at 31st March, 2021	As at 31st March, 2020	As at 01st April, 2019
Amount receivable in foreign currency - Exports	USD	0.15	0.01	0.04
	GBP	0.02	0.03	0.03
	USD	0.12	0.16	0.14
Amount payable in foreign currency - Imports	EUR	-	-	-
	GBP	-	-	-
	YEN	-	-	-
	CHF	-	-	-

### 35 SEGMENT REPORTING

The Chief Operating Decision Maker (CODM) has considered manufacture ,sale and service of defence electronics as the single segment of operation.

#### A. Information about geographical areas

Net sales to customers by geographic area for the year ended is listed below

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(a) India	181.57	145.56
(b) Outside India	42.38	10.54
	223.95	156.10

The company does not own any non current assets outside India

#### B. Information about major customers

Customers individually accounting for more than 10% of the revenues of the company for the years ended 31st March, 2021 and 31st March, 2020 is listed below

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
No of customers	3	2
% of Revenue from above customers to total revenue from operations	49%	69%



## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 36 CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The funding requirements are met through internal accruals, long-term and short-term borrowings.

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The following table summarizes the capital of the Company:

Particulars	Amt in Rs.		
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
<b>Total equity</b>	<b>207.94</b>	<b>153.68</b>	<b>133.05</b>
Non Current Borrowings	9.77	0.55	-
Current Borrowings	22.68	59.85	58.16
Current Maturities of Long term Debts (Included in Financial Liabilities)	0.78	0.16	1.98
<b>Total Debt</b>	<b>33.23</b>	<b>60.56</b>	<b>60.14</b>
<b>Total Capital (Equity + Debt)</b>	<b>241.17</b>	<b>214.24</b>	<b>193.19</b>
Equity as a % of total capital	86	72	69
Debt as a % of total capital	14	28	31

### NOTE NO 37 FINANCIAL INSTRUMENTS

#### Categories of financial instruments

Particulars	Amt in Rs.		
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
<b>A. Financial assets</b>			
Measured at Fair value through profit or loss (FVTPL):	-	-	-
Measured at Fair value through Other comprehensive Income (FVTOCI):	-	-	-
Measured at Amortised cost:			
Security Deposits	1.56	2.32	2.29
Margin Money Deposits	32.66	44.16	36.74
Trade Receivables	155.94	115.63	102.94
Cash and Cash Equivalents	8.80	1.51	0.31
Advances to Employees	0.44	0.21	0.18
Interest accrued but not due	3.60	3.51	0.13
Other advances	0.18	-	-
Other Receivables	0.72	-	-
	<b>203.90</b>	<b>167.34</b>	<b>142.59</b>
<b>B. Financial liabilities</b>			
Measured at Amortised cost			
Borrowings	32.45	60.40	58.16
Trade Payables	12.00	17.27	15.86
Other Financial Liabilities	8.73	14.01	12.59
	<b>53.18</b>	<b>91.68</b>	<b>86.62</b>

The total carrying values of the above financial assets and liabilities are equal to their fair values as at their respective reporting date.

#### Financial risk management objectives

The Company is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates and price risk) as a result of financial instruments.

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 37 FINANCIAL INSTRUMENTS (CONTD.)

Board of Directors have the overall responsibility for the establishment, monitoring and supervision of the Company's Risk Management framework.

The Company has an established Risk Management Policy that outlines risk management structure and provides a comprehensive frame work for identification, evaluation, prioritization, treatment of various risks associated with different areas of finance and operations

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Significant amount of trade receivables are due from Government /Government Departments and Public sector undertakings (PSU) consequent to which the Company does not have a credit risk associated with such receivables. The impairment of trade receivables is based on modified expected credit loss model. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 37

The cash and cash equivalents and margin money deposits are held with banks. The Company has not incurred any losses on account of default from banks on deposits.

#### Liquidity Risk

Liquidity Risk is the risk that the company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fulfil its commitments. The company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, the Company has access to shortterm bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

The table below analyses the company's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

As at 31st March, 2021			
Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	22.68	-	-
Non Current Borrowings		3.06	6.71
Trade Payables	12.00	-	-
Financial Liabilities (Other than Lease Liabilities)	4.78	-	-
Lease Liabilities	1.51	1.34	1.10

As at 31st March, 2020			
Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	59.85	-	-
Non Current Borrowings		0.15	0.40
Trade Payables	17.27	-	-
Financial Liabilities (Other than Lease Liabilities)	8.08	-	-
Lease Liabilities	2.08	1.41	2.43

As at 01st April, 2019			
Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	58.16	-	-
Non Current Borrowings	-	-	-
Trade Payables	15.86	-	-
Financial Liabilities (Other than Lease Liabilities)	5.59	-	-
Lease Liabilities	1.08	2.08	3.85

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 37 FINANCIAL INSTRUMENTS (CONTD.)

#### Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company's activities expose it to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk)."

#### Currency Risk

The company is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro etc. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR)."

The company's exposure to foreign currency risk in respect of major currencies is given below :

Particulars		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Amount receivable in foreign currency - Exports	USD	0.15	0.01	0.04
	GBP	0.02	0.03	0.03
Amount payable in foreign currency - Imports	USD	0.12	0.16	0.14
	EUR	-	-	-
	GBP	-	-	-
	YEN	-	-	-
	CHF	-	-	-

#### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

### NOTE NO 38 RELATED PARTY DISCLOSURE

#### i) The list of related parties as identified by the management for disclosure as under

##### A) Key management personnel

Mr. Srinivasagopalan Rangarajan (Managing Director)

Mrs. Rekha Murthy Rangarajan (Whole Time Director)

##### B) Relatives of Key management personnel

Mrs. Vasundara Keshava Murthy

#### Related Party Transactions

The Company has identified all related parties and details of transactions are given below

The following transactions were carried out with the Related Parties.

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Key Management Personnel (KMP)</b>		
Directors' remuneration	1.26	1.16
Loans repaid	17.77	9.93
Loans received	-	7.59
Interest on loan	2.89	1.72
Outstanding Balance	0.51	15.39
Dividend	0.24	0.24
<b>Relative of Key Management Personnel (KMP)</b>		
Dividend	0.01	0.01

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 39 ADDITIONAL DISCLOSURES UNDER INDAS 115

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information:

As the company operates in a single segment, reconciliation between segment revenue and revenue from contract with customers is not applicable

Reconciling the amount of revenue recognized in the Statement of Profit and Loss with the contracted price:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue as per Contracted Price	223.95	156.10
Less: Discounts	-	-
Revenue as per Statement of Profit and Loss account	<b>223.95</b>	<b>156.10</b>

#### Timing of Revenue Recognition

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue recognized at a point in time	208.77	151.08
Revenue recognized over a period of time	15.18	5.02
<b>Total</b>	<b>223.95</b>	<b>156.10</b>

#### Reconciliation of contract liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contract liabilities at the beginning of the period	<b>33.10</b>	<b>43.76</b>
Add: Consideration received during the year as advance	38.04	23.75
Less : Revenue recognised during the period	(24.64)	(34.41)
Contract liabilities at the end of the period	<b>46.50</b>	<b>33.10</b>

### NOTE NO 40 LEASES DISCLOSURE

The Company has lease contracts for Buildings, furniture and Vehicles used for Administrative purpose. . The Company applies the exemption available for 'short-term leases wherever applicable.

**Set out below are the carrying amounts of the lease liabilities included under financial liabilities and the movements during the period**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Balance	5.93	-
Add: Recognized during the year	0.10	8.06
Add: Accretion of Interest	0.45	0.61
less: Lease Payments	(2.54)	(2.74)
<b>Closing Balance</b>	<b>3.94</b>	<b>5.93</b>
On the above		
<b>Current</b>	<b>1.51</b>	<b>2.08</b>
<b>Non Current</b>	<b>2.43</b>	<b>3.85</b>

#### Maturity Analysis of Lease liability

	Less than one year	1-5 Years
As at 31st March, 2021	1.51	2.43
As at 31st March, 2020	2.08	3.85
As at 01st April, 2019	1.08	5.93

## Notes to Financial Statements for the year ended 31st March, 2021

All figures are in INR Crores unless specifically stated otherwise

### NOTE NO 40 LEASES DISCLOSURE (CONTD.)

Amount recognized in the statement of Profit and Loss during the year:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation on right -of use assets	2.27	2.45
Interest expenses on Lease liability	0.45	0.61
Expenses relating to short -term leases	0.39	0.37
Expenses related to low value assets	-	-
<b>Total</b>	<b>4.11</b>	<b>3.43</b>

### NOTE NO 41 CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Gross amount required to be spent by the company during the year	0.29	0.10
Amount spent	0.05	0.05

### NOTE NO 42 IMPACT ON ACCOUNT OF COVID 19:

In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25th March, 2020 to contain spread of COVID-19 virus, the operations of the Company was shut down. This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, sales and profitability.

In the preparation of financial statements, the company has considered probable effects from the pandemic relating to COVID-19 on the carrying amount of the Inventories, Receivables, other assets and revision in cost estimates for completing the contract / penalties for non fulfillment of contractual obligations. Major customers of the company are from Indian defence services. Since the supplies are based on firm and fixed contracts there is no impact on the business due to this pandemic. Further as the major amount of receivable is from Ministry of Defence, Government of India, Government and Government related entities the company expects that the balances are realisable.

The extent of the impact of COVID-19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out break, the future impact on employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company may be different from management estimates in this regard, the company will continue to closely monitor any changes as they emerge.

### NOTE NO 43 EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Board of Directors have recommended a dividend of Rs. 65.30/- per share on equity shares of Rs.10/- each for the Financial Year 2020-21 subject to approval of Members at the Annual General Meeting.

For and on behalf of the Board

**For R.G.N. Price & Co**  
Chartered Accountants  
FR No.0027855

**K Venkatakrishnan**  
Partner  
M.No. 208591

Place: Chennai  
Date: 11th August, 2021

**Srinivasagopalan Rangarajan**  
DIN : 00643456

Place: Chennai  
Date: 11th August, 2021

**Rekha Murthy Rangarajan**  
DIN : 00647472

Place: Chennai  
Date: 11th August, 2021

# Management discussion & analysis



### Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown

had a devastating impact on an already-slumping economy as 1.38 Billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world. The Indian economy de-grew 23.9% in the first quarter of FY2020-21, the sharpest de-growth experienced by the country since the index was prepared. India's relief

consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery.

The result is that India's GDP contracted 7.3 % during FY2020-21, largely on account of the sharp depreciation of the first two quarters.

### Y-o-Y growth of the Indian economy

	FY2018-19	FY2018-19	FY2019-20	FY2020-21
Real GDP growth (%)	7	6.1	4.2	(7.3)

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey, Company commissioned industry report by Frost & Sullivan)



### Indian economic reforms and recovery

There were a number of positive features of the Indian economy during the year under review.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY2020-21.

The per capita income was estimated to have declined 5% from Rs. 1.35 Lakh in FY2019-20 to Rs. 1.27 Lakh in FY2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY2020-21.

A slowdown in economic growth and inflation weakened the country's currency rate nearly 2.83% in 2020 from Rs. 71.28 to Rs. 73.30 to a US dollar before recovering towards the close of the financial year.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to USD57 Billion in 2020.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of USD23.6 Billion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs, increase employment, enhance labour productivity and wages.

The Government relaxed Foreign Direct Investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking

products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

India's foreign exchange reserves continue to be in record setting mode – FY21 saw USD101.5 Billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

### Outlook

The Indian economy is projected to grow in the high single-digit percentages in FY2021-22 as per institutional estimates, a reduction caused by the second surge of the pandemic.

### Indian Defence & Aerospace segment landscape

The Indian Defence and Aerospace segment is anticipated to reach USD70 Billion by 2030, steered by adequate demand for modern infrastructure and government thrust. Indian defence manufacturing sector witnessed a CAGR of 3.9% between 2016 and 2020. The industry is expected to accelerate following increasing concerns of national security. The Indian Defence market represents an accessible cumulative revenue generation opportunity of USD306.95 Billion between 2021 and 2030. The Indian Government aims to enhance its defence production target to USD25 Billion, including exports of USD5 Billion. Indian Defence exports declined

by 7.5% to Rs 84.34 Billion in FY2020-21 as against Rs. 91.11 Billion recorded in FY2019-20. The private players in the defence segment are enjoying a growing exposure; private sector sales based on export authorisations stood at Rs. 72.71 Billion in FY2020-21 and Rs. 80.07 Billion in FY 2019-20, representing 86% and 88% of total exports in those two years respectively.

The Indian Defence and Aerospace markets, are at the cusp of change, following the introduction of policy changes that will help reduce programme delays and accelerate acquisition. Provisions like equipment

leasing and waiver of offset requirements in government-to-government deals appear promising. The Ministry of Defence aims at doubling defence production and increasing defence exports five-fold by 2025 through the increased participation of private players and privatisation of Ordnance Factory Board. A successful implementation of these measures could have an enduring effect on the defence industry and competitive landscape. (Source: IBEF, Research and Markets, janes.com)

### Government initiatives

- The Government permitted 100% foreign direct investment in the Indian Defence sector, 79% under the automatic route and beyond that through the Government route
- Exchange rate variation for the private sector in India is evenly placed with Defence public sector undertakings
- In the Union Budget 2021, the Defence sector was allocated Rs. 4.78 Lakh Crore as against Rs. 4.71 Lakh Crore allocated in the Union Budget of FY2019-20
- The budgetary allocation in the Union Budget FY2020-21 for Defence Research and Development Organisation (DRDO)

increased 8% to Rs. 11,375 Crore

- To encourage indigenous defence manufacture, the Indian Government banned 101 Defence items from imports
- The Indian Government widened opportunities for the private sector by proposing Defence industrial corridors in Uttar Pradesh and Tamil Nadu
- The Government removed offset clauses, which are expected to moderate the cost of procurement from international institutions
- The Government is concentrating on the advancement of sectors like ammunition,

surveillance and tracking systems. The sector's growth may be catalysed by DRDO's focus on ballistic missiles, quick reaction surface-to-air missiles, anti-tank missiles and rocket systems

- DRDO announced the indigenous manufacture of 108 systems and sub-systems
- The budgetary allocation for NSIL, the commercial arm of ISRO, increased 138 times from Rs. 10 crores in FY2019-20 to Rs. 700 crores in FY 21. (Sources: IBEF, Financial Express)

### Capital Outlay on Defence Services

Year	Capital BE	Increase	*Age Increase
FY2019-20	1,03,397.31	9412.18	10.01
FY2020-21	1,13,734.00	10,339.69	10.00
FY2021-22	1,35,060.72	21,326.72	18.75

Source: (PIB.gov)

### Global rocket propulsion market size



Source: (Business wire.com)

### Growth drivers

- Higher use of space launch vehicles for satellites and testing applications, introduction of space tourism and development of satellite internet system
- Introduction of draft SPACE COM policy and the government's permission related to the entry of the private sector in the development of satellites and launch vehicles
- ISRO's announcement to provide ~70% mandate of all upcoming space missions to

private players over five years

- The Ministry of Defence's removal of limitations on procurement norms, making it easier for Indian companies and start-ups to deliver equipment and components to the army
- ISRO plans to launch 500 PSLVs in five years. ISRO's commercial arm New Space India Limited (NSIL) plans to invest ~Rs. 10,000 crores in five years

• Despite an economic slowdown in 2020, the global space industry attracted record investments of USD 25.6 Billion, the third highest in the decade, with trickle-down implications for India

• The Indian space sector could ride the global space industry, projected to generate USD1 Trillion revenues by 2040

(Sources: Economic times, Business Standard, Morgan & Stanley, Geospatial world.net)

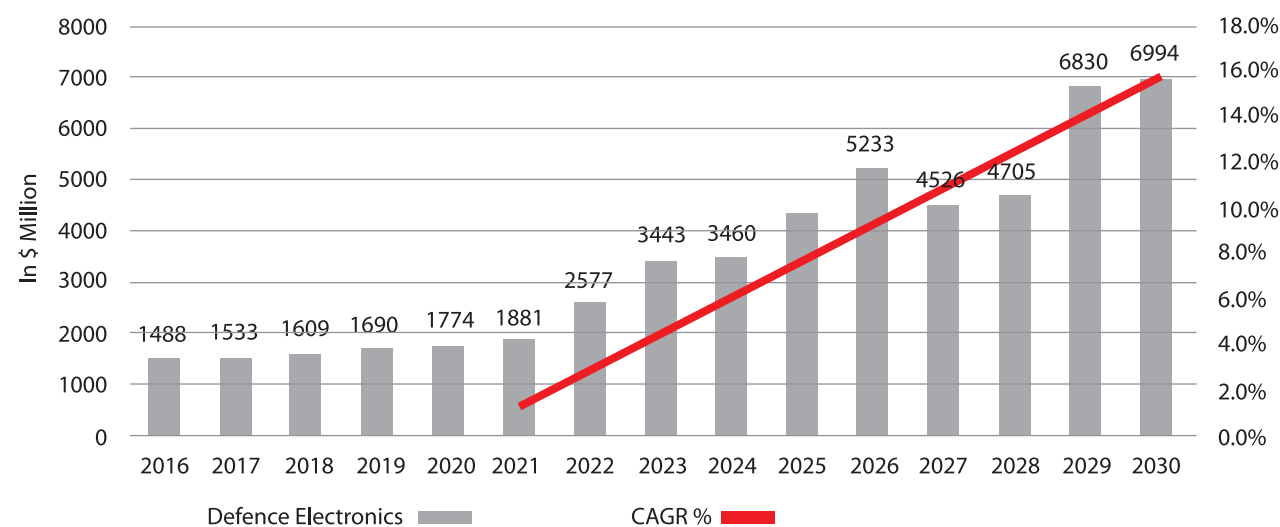
### Indian Defence Electronics market

The Indian Defence Electronics market was valued at USD 8.09 Billion between 2016 and 2020 growing at a CAGR of 4.5% during the period. The market is evaluated to be worth ~ USD 1.88 Billion in 2021 and is expected to reach ~ USD 6.99 Billion by 2030. The Indian Defence Electronics segment will witness a large scale indigenisation effort over the next decade leading to improved manufacturing and quality standards. This will enhance the

presence of Indian components in global supply chains which are already being used in Israeli UAS and European combat aircrafts. At present Defence Electronics make up only 25-35% of the cost of platforms used by the Indian armed forces, which is expected to increase in the future. However, at present over 60% of the electronic components used are supplied by foreign OEM's. As indigenisation efforts continue, future

procurement will see a large portion of defence electronics sourced locally, and as such platform recapitalisation programmes across all three forces such as new combat aircraft acquisition, submarine building and T-72 replacement will be key contributors to future market valuation of this product segment.

## India Defence Electronics Market



Note: Figures for CY 2016-2020 is the actual market size. CY 2021 -2030 figures are estimated market size. CAGR line depicts the average growth rate during CY 2021-2030.

CAGR line depicts the average growth rate during CY 2021-2030.

## Financial overview

## Analysis of the profit and loss statement

**Revenues:** Revenues from operations reported a 43.47 % growth from Rs. 156.10 Crore in FY2019-20 to reach Rs. 223.95 Crore in FY2020-21. Other income of the Company accounted for a 1.15 % (2.63% in FY 2019-20) share of the Company's revenues, reflecting the Company's dependence on its core business operations.

**Expenses:** Total expenses increased by 15.41 % from Rs. 131.73 Crore in FY2019-20 to Rs. 152.03 Crore due to increased scale of operations cost of goods sold, accounted for a 31.42 % of the Company's operating revenues in comparison to 35.93% of the operating revenue for FY 2019-20. This was mainly due to the mix of revenue, which comprised on more of repeat production contracts in FY 2020-21 against FY 2019-20. Employees expenses accounted for 21.37 % in FY 2020-21 against 26.39% in FY 2019-20.

## Analysis of the Balance Sheet

## Sources of funds

The capital employed by the Company increased by 44 % from Rs. 178.87 Crore as on March 31, 2020 to Rs. 256.89 Crore as on March 31, 2021 owing to increased accruals and advance received against contracts. Return on capital employed, a measurement

of returns derived from every rupee invested in the business increased by 1200 bps from 2300 bps in FY2019-20 to 35 % in FY2020-21 due to higher profitability and increased scale of operations.

The net worth of the Company increased by 35.31% from Rs. 153.68 Crore as on March 31, 2020 to Rs. 207.94 Crore as on March 31, 2021, owing to an increase in retained earnings. The Company's equity share capital, comprising 16,99,790 equity shares of Rs. 10 each, remained unchanged during the year under review.

Long-term debt of the Company increased to Rs. 9.77 Crore as on March 31, 2021 as against Rs. 0.55 Crores as on March 31, 2020 owing to term loan and also government guaranteed credit line. The long-term debt-equity ratio of the Company stood at 0.05 in FY2020-21.

Finance costs of the Company increased by 8.68 % from Rs. 13.34 Crore in FY2019-20 to Rs. 14.50 Crore in FY2020-21 due to increased operations. The Company's debt to equity ratio stood at a comfortable 0.16 x at the close of FY2020-21 (0.39x at the close of FY2019-20).

## Applications of funds

Fixed assets (gross) of the Company increased by 16.43 % from Rs. 30.98 Crore as on March 31, 2020 to Rs. 36.07 Crore

as on March 31, 2021 owing to addition to the IT infrastructure and other routine requirements. Depreciation on tangible assets increased by 9.56 % from Rs. 2.93 Crore in FY2019-20 to Rs. 3.21 Crore in FY2020-21 owing to additions to the fixed assets during the year under review.

## Working capital management

Current assets of the Company increased by 21.24 % from Rs. 215.54 Crore as on March 31, 2020 to Rs. 261.32 Crore as on March 31, 2021 owing to the growing scale of business. The Current and Quick Ratios of the Company stood at 3.64 and 2.3, respectively at the close of FY2020-21, compared to 1.85 and 1.00, respectively at the close of FY2019-20.

Inventories, including raw materials, work-in-progress and finished goods, among others, reduced by 7.15% from Rs. 79.42 Crore as on March 31, 2020 to Rs. 73.74 Crore as on March 31, 2021, owing to improved efficiency in procurement owing to economies of scale. The inventory turnover improved from 0.68 times in FY2019-20 to 0.98 times in FY2020-21.

Growing business volumes resulted in an increase of 34.85 % in trade receivables from Rs. 115.63 Crore as on March 31, 2020 to Rs. 155.94 Crore as on March 31, 2021. Entire receivables were considered good.

The Company contained its debtor turnover cycle within 218 days of turnover equivalent in FY2020-21 compared to 252 days in FY2019-20.

Cash and cash equivalents of the Company increased from Rs. 1.51 Crore as on March 31, 2020 to Rs. 8.80 Crore as on March 31, 2021.

Loans and advances made by the Company increased by 20.28 % from Rs. 18.98 Crore as on March 31, 2020 to Rs. 22.83 Crore on account of increased prepaid expenses and advances paid to suppliers.

## EBITDA margins

The Company's overheads cost increased by 13.14% in FY 2020-21 as against 43.47% increase in the revenue. This has resulted in increased EBITDA margin of the Company from Rs. 47.27 Crore (30.28% of revenue) in FY 2019-20 to Rs. 94.59 Crore (42.24% of revenue) in FY 2020-21 while the net profit margin of the Company improved by 11.37% (from 13.16% in FY 2019-20 to 24.52% in FY 2020-21).

## Key ratios

Particulars	FY 2020-21	FY 2019-20
EBITDA/Turnover (%)	42.24	30.28
EBITDA/Net interest ratio	7.67	4.38
Debt-equity ratio	0.16	0.39
Return on equity (%)	27	14
Book value per share (Rs.)	1,223.32	904.09
Earnings per share (Rs.)	327	124
Debtor's turnover (days)	218	252
Inventory turnover (days)	392	533
Interest coverage ratio (x)	6.52	3.54
Current ratio (x)	3.64	1.85
Operating profit margin (%)	38.59	24.16
Net profit margin (%)	24.52	13.16

## Internal control systems and their adequacy

The internal control and risk management system is organised and employed accordingly with the principles and criteria set up in the corporate governance code of the organisation. It is an inherent part of the general organisational structure of the Company and Group and involves various persons to coordinate among each other to complete their respective duties. The Board of Directors provides various guidelines to directors and management, monitoring and support committees. The control and risk committee and the head of the audit department are supervised by the board appointed statutory auditors.

## SWOT analysis

## Strengths

- Strong domain competency in Radars, Electronic Warfare, Communication systems, Avionics & Satellite Systems
  - All competence required for product development under one roof
  - 100% in-house design and manufacturing capability
  - Scalable business; capability to build complete systems
  - Largest number of products designed in India for all platforms (land, air and sea)
  - Established product lines for base level of businesses
  - Modern, certified manufacturing infrastructure meeting international standards
- Weakness**
- Lumpy nature of order flows
  - Long gestation development contracts

## Opportunities

- India spends over Rs. 1 Trillion annually on defence capex, growing steadily
  - There is increased participation from the private sector in the defence supply chain owing to government policies such as Defence offset programme, Make in India initiatives and policy changes in the Defence Procurement Procedure (now oriented towards procuring more from Indian industry, indigenous development and strategic partners to build large systems / platforms in India)
  - Export presents significant opportunities
- Threats**
- Competition from smaller suppliers with little or no knowledge of the complexities involved and using price as an entry strategy
  - Delays in commercialisation of development products owing to long and tedious approval process involved
  - International competition
  - Potential deferment of major government programmes in Space and Defence sectors due to fiscal constraints etc.

## Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence

of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.