

# **Sankguj Semiconductor Private Limited**

## **Financial Statements**

**For the year ended 31 March 2023 and 2022**

# B S R & Associates LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,  
DLF Cyber City, Phase - II,  
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## Independent Auditor's Report

### To the Members of Sankguj Semiconductor Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Sankguj Semiconductor Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended 31 March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India relating to the liquidation basis of accounting, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter(s)

- a. We draw attention to Note 1(a) to the financial statements, which explains that in view of that there is a significant doubt on the entity's ability to continue as going concern, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended 31 March 2023. Accordingly, the financial statements of the Company have been prepared on a liquidation basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements.

Our opinion is not modified in respect of this matter.

#### Other Information (or another title if appropriate, such as "Information Other than the Financial

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (Continued)

### Sankguj Semiconductor Private Limited

#### Statements and Auditor's Report Thereon")

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India relating to the liquidation basis of accounting, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible

## Independent Auditor's Report (Continued)

### Sankguj Semiconductor Private Limited

for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. In the present case, liquidation basis of accounting has been used since the Management and Board of Directors have concluded that the use of going concern basis is not appropriate in the facts and circumstances as stated in Note 1(a)
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

**Independent Auditor's Report (Continued)**

**Sankguj Semiconductor Private Limited**

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:

- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.16 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.16 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company have neither declared nor paid any dividend during the year.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024

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**Gajendra Sharma**

*Partner*

Place: Gurugram

Date: 02 June 2023

Membership No.: 064440

ICAI UDIN:23064440BGYXFD7994

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sankuj Semiconductor Private Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company does not have any Property, Plant and Equipment. Accordingly, clause 3(i)(a)(A) of the Order is not applicable.
  - (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable
- (i) (b) The Company does not have any Property, Plant and Equipment. Accordingly, clause 3(i)(b) of the Order is not applicable.
  - (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
  - (d) The Company does not have any Property, Plant and Equipment. Accordingly, clause 3(i)(d) of the Order is not applicable
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering a range of design services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Sankguj Semiconductor Private Limited for the year ended 31 March 2023  
(Continued)**

- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Income-Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.



**Annexure A to the Independent Auditor's Report on the Financial Statements of Sankguj Semiconductor Private Limited for the year ended 31 March 2023  
(Continued)**

Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.  
  
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
  
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 1,43,000 in the current financial year and Rs 1,68,000 in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 1(a) of the financial statements which explains that the going concern assumption is no longer valid and these financial statements have been prepared on liquidation basis.

On the basis of the above and according to the information and explanations given to us during the course of audit and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the



**Annexure A to the Independent Auditor's Report on the Financial Statements  
of Sankguj Semiconductor Private Limited for the year ended 31 March 2023  
(Continued)**

Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024

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**Gajendra Sharma**

*Partner*

Place: Gurugram

Date: 02 June 2023

Membership No.: 064440

ICAI UDIN:23064440BGYXFD7994

**Annexure B to the Independent Auditor's Report on the financial statements of Sankgij Semiconductor Private Limited for the year ended 31 March 2023**

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

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Sankgij Semiconductor Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

**Annexure B to the Independent Auditor's Report on the financial statements of Sankguj Semiconductor Private Limited for the year ended 31 March 2023  
(Continued)**

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.: 116231W/W-100024

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**Gajendra Sharma**

*Partner*

Place: Gurugram

Date: 02 June 2023

Membership No.: 064440

ICAI UDIN: 23064440BGYXFD7994

**Sankguj Semiconductor Private Limited****Balance Sheet**

(All amounts in thousands of ₹ except share data and as stated otherwise)

	Note No.	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>(1) Current assets</b>			
(a) Financial assets			
Cash and cash equivalents	2.1	315	451
(b) Other current assets	2.2	-	-
<b>Total current assets</b>		<b>315</b>	<b>451</b>
<b>TOTAL ASSETS</b>		<b>315</b>	<b>451</b>
<b>II. EQUITY</b>			
(a) Equity share capital	2.3	4,300	4,300
(b) Other equity		(4,047)	(3,904)
<b>TOTAL EQUITY</b>		<b>253</b>	<b>396</b>
<b>III. LIABILITIES</b>			
<b>(1) Current liabilities</b>			
(a) Financial liabilities			
Trade payables - Unbilled and accruals	2.4	62	46
(b) Other current liabilities	2.5	-	9
<b>Total current liabilities</b>		<b>62</b>	<b>55</b>
<b>TOTAL LIABILITIES</b>		<b>62</b>	<b>55</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>315</b>	<b>451</b>
<b>Summary of significant accounting policies</b>	1		

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The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP**  
**Chartered Accountants**  
Firm's Registration No.: 116231W/W-100024

**GAJENDR A SHARMA**  
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GAJENDRA SHARMA  
Date: 2023.06.02  
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**Gajendra Sharma**  
**Partner**  
Membership Number: 064440

Gurugram, India  
02 June 2023

**For and on behalf of the Board of Directors  
of Sankguj Semiconductor Private Limited**

**VARRE VENKATA APPA RAO**  
Digitally signed by VARRE VENKATA APPA RAO  
Date: 2023.06.02 17:54:53 +05'30'

**Venkata Varre Appa Rao**  
**Director**  
DIN - 02582330

Noida (UP), India  
02 June 2023

**ANUP DUTTA**  
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**Anup Dutta**  
**Director**  
DIN - 01051776

**Sankguj Semiconductor Private Limited****Statement of Profit and Loss**

(All amounts in thousands of ₹ except share data and as stated otherwise)

	Note No.	Year ended 31 March 2023	31 March 2022
<b>I Revenue</b>			
Other income	2.6	-	62
<b>Total income</b>		<b>-</b>	<b>62</b>
<b>II Expenses</b>			
Finance costs	2.7	1	9
Other expenses	2.8	142	221
<b>Total expenses</b>		<b>143</b>	<b>230</b>
<b>III Loss before tax</b>		<b>(143)</b>	<b>(168)</b>
<b>IV Tax expense</b>	2.9		
Current tax		-	-
Deferred tax charge (credit)		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>V Loss for the year</b>		<b>(143)</b>	<b>(168)</b>
<b>VI Other comprehensive income (loss)</b>			
(i) Items that will not be reclassified to statement of profit and loss		-	-
(ii) Income tax on items that will not be reclassified to statement of profit and loss		-	-
<b>VII Total other comprehensive income (loss), net of tax</b>		<b>-</b>	<b>-</b>
<b>VIII Total comprehensive loss for the year</b>		<b>(143)</b>	<b>(168)</b>
<b>Earnings per equity share of ₹ 2 each</b>	2.10		
Basic (in ₹)		(0.07)	(0.08)
Diluted (in ₹)		(0.07)	(0.08)

**Summary of significant accounting policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP****Chartered Accountants**

Firm's Registration No.: 116231W/W-100024

**GAJENDR A SHARMA**  
 Digitally signed by GAJENDR A SHARMA  
 Date: 2023.06.02 17:25:43 +05'30'

**Gajendra Sharma****Partner**

Membership Number: 064440

Gurugram, India

02 June 2023

**For and on behalf of the Board of Directors  
 of Sankguj Semiconductor Private Limited**

**VARRE VENKATA APPA RAO**  
 Digitally signed by VARRE VENKATA APPA RAO  
 DN: cn=VARRE VENKATA APPA RAO, o=Sankguj Semiconductor Private Limited, ou=, email=varre.venkataappa.rao@sankguj.com, c=IN

**Venkata Varre Appa Rao****Director**

DIN - 02582330

Noida (UP), India

02 June 2023

**ANUP DUTTA**  
 Digitally signed by ANUP DUTTA  
 DN: cn=ANUP DUTTA, o=Sankguj Semiconductor Private Limited, ou=, email=anup.dutta@sankguj.com, c=IN

**Anup Dutta****Director**

DIN - 01051776

**Sankguj Semiconductor Private Limited**  
**Statement of Changes in Equity**  
 (All amounts in thousands of ₹ except share data and as stated otherwise)

	Equity share capital		Other equity	Total Equity
	Number of shares	Share capital	Retained earnings	
Balance as at 1 April 2021	2,150,000	4,300	(3,736)	564
Loss for the year	-	-	(168)	(168)
<b>Total comprehensive loss for the year</b>	-	-	(168)	(168)
Balance as at 31 March 2022	2,150,000	4,300	(3,904)	396
Balance as at 1 April 2022	2,150,000	4,300	(3,904)	396
Loss for the year	-	-	(143)	(143)
<b>Total comprehensive loss for the year</b>	-	-	(143)	(143)
Balance as at 31 March 2023	2,150,000	4,300	(4,047)	253

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 116231W/W-100024

**GAJENDRA SHARMA** Digitally signed by  
 GAJENDRA SHARMA  
 Date: 2023.06.02  
 17:26:23 +05'30'

**Gajendra Sharma**  
**Partner**  
 Membership Number: 064440

Gurugram, India  
 02 June 2023

**For and on behalf of the Board of Directors**  
**of Sankguj Semiconductor Private Limited**

**VARRE VENKATA APPA RAO** Digitally signed by VARRE VENKATA APPA RAO  
 DN: cn=VARRE VENKATA APPA RAO, o=Sankguj Semiconductor Private Limited, ou=Board of Directors, email=varre.venkata.appa.rao@sankguj.com, c=IN  
 Date: 2023.06.02 15:55:19 +05'30'

**Venkata Varre Appa Rao**  
**Director**  
 DIN - 02582330

Noida (UP), India  
 02 June 2023

**ANUP DUTTA** Digitally signed by ANUP DUTTA  
 DN: cn=ANUP DUTTA, o=Sankguj Semiconductor Private Limited, ou=Board of Directors, email=anup.dutta@sankguj.com, c=IN  
 Date: 2023.06.02 15:55:19 +05'30'

**Anup Dutta**  
**Director**  
 DIN - 01051776

**Sankguj Semiconductor Private Limited****Statement of Cash flows**

(All amounts in thousands of ₹ except share data and as stated otherwise)

	Year ended	
	31 March 2023	31 March 2022
<b>A. Cash flows from operating activities</b>		
Loss before tax	(143)	(168)
<b>Adjustment for:</b>		
Interest expense	-	8
Other non-cash charges (net)	12	22
	<b>(131)</b>	<b>(138)</b>
<b>Net change in</b>		
Other financial assets and other assets	(12)	(22)
Trade payables	16	-
Other financial liabilities and other liabilities	(9)	-
<b>Cash used in operations</b>	<b>(136)</b>	<b>(160)</b>
Income taxes paid (net of refunds)	-	(265)
<b>Net cash flow from (used in) operating activities (A)</b>	<b>(136)</b>	<b>105</b>
<b>B. Cash flows from investing activities</b>		
<b>Net cash flow from investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>		
Repayment of short term borrowings	-	(1,000)
Interest paid	-	(30)
<b>Net cash flow used in financing activities (C)</b>	<b>-</b>	<b>(1,030)</b>
Net decrease in cash and cash equivalents (A+B+C)	(136)	(925)
Cash and cash equivalents at the beginning of the year	451	1,376
<b>Cash and cash equivalents at the end of the year as per note 2.1</b>	<b>315</b>	<b>451</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B S R & Associates LLP****Chartered Accountants**

Firm's Registration No.: 116231W/W-100024

**GAJENDR** Digitally signed by  
**A SHARMA** GAJENDRA SHARMA  
 Date: 2023.06.02  
 17:26:46 +05'30'

**Gajendra Sharma****Partner**

Membership Number: 064440

Gurugram, India

02 June 2023

**For and on behalf of the Board of Directors****of Sankguj Semiconductor Private Limited**

**VARRE** Digitally signed by VARRE VENKATA  
**VENKATA** APPA RAO  
**APPA RAO**

**Venkata Varre Appa Rao****Director**

DIN - 02582330

Noida (UP), India

02 June 2023

**ANUP** Digitally signed by ANUP DUTTA  
**DUTTA**  
**A**

**Anup Dutta****Director**

DIN - 01051776



## **ORGANISATION AND NATURE OF OPERATION**

Sankguj Semiconductor Private Limited (hereinafter referred to as “the Company”) is primarily engaged in providing a range of design services to semiconductor industry. The Company was incorporated under the provisions of the Companies Act applicable in India in December 2017, having its registered office at 28, Ashwaraj Bunglows, Nr. Auda Garden, Prahladnagar, Vejalpur, Ahmedabad, Gujarat, India, 380015.

The financial statements for the year ended 31 March 2023 were approved and authorized for issue by the Board of Directors on 02<sup>nd</sup> June 2023.

### **1. Summary of significant accounting policies**

#### **a) Basis of preparation**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements.

The Company had ceased its operations in financial year 2020-2021 and the company also does not have any operations during the year. Basis review of business, management of the Company believes that there is a significant doubt on the entity’s ability to continue as going concern. Accordingly, the financial statements of the Company have been prepared on the basis that the fundamental accounting assumption of going concern is no longer appropriate.

Preparation of financial statements on a basis other than going concern involves the company making estimates and assumptions that affect the reported amounts of assets and liabilities. Estimation are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances and are continually re-valuated. Where appropriate, adjustment had been made to reduce the carrying value of asset to their estimated realizable value, to provide for any further liabilities which would arise, and classify long term liabilities and assets as current liabilities and assets.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy

The statement of cash flows has been prepared under indirect method.

The company uses the Indian rupee (‘₹’) as its reporting currency. All amounts are presented in thousand of ₹ rounded to whole number and amounts less than ₹ 0.50 thousand are presented as “-”.

#### **b) Use of estimates and adjustments**

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management’s best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the year in which the changes are made.

#### **c) Fair value measurement**

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly

**Sankguj Semiconductor Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
(All amounts in thousands of ₹ except share data and as stated otherwise)

transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

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

-Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

-Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of non-financial assets such as intangible assets.

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

**d) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

**Financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date. However, trade receivables that do not contain a significant financing component are measured at transaction price.

***Cash and cash equivalents***

Cash and cash equivalents in the balance sheet comprise cash in banks which are subject to an insignificant risk of changes in value.

***Financial assets at amortized cost***

A financial asset is measured at the amortized cost if both the following conditions are met:

**Sankguj Semiconductor Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in thousands of ₹ except share data and as stated otherwise)

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances.

***Financial asset at Fair Value through Other Comprehensive Income (OCI)***

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

***Financial assets at Fair Value through Profit and Loss***

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

***Derecognition of financial assets***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

**Financial liabilities at amortized cost**

The Company financial liabilities at amortized cost are initially recognized at, net of transaction costs and includes trade payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Derecognition**

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

**Sankguj Semiconductor Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
(All amounts in thousands of ₹ except share data and as stated otherwise)

**e) Other income**

Other income mainly comprises interest income on income tax refund.

**f) Income taxes**

Income tax expense comprises current and deferred tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

**g) Earnings per share (EPS)**

Basic EPS amounts are computed by dividing the net profit/ (loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

**h) Recently issued accounting pronouncements**

On 31 March 2023, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from 1 April 2023. Following is key amended provision which may have an impact on the financial statements of the company:

**Disclosure of Accounting Policies (Amendments to Ind AS 1)**

The amendments intend to assist in deciding which accounting policies to disclose in the financial statements. The amendments to Ind AS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The company does not expect this amendment to have any significant impact in its financial statements.

**Sankguj Semiconductor Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in thousands of ₹ except share data and as stated otherwise)

**Definition of Accounting Estimate (Amendments to Ind AS 8)**

The amendments distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**Sankguj Semiconductor Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
(All amounts in thousands of ₹ except share data and as stated otherwise)

**2. Notes to financial statements**

**2.1 Cash and cash equivalent**

	As at	
	31 March 2023	31 March 2022
Balance with banks	315	451
	<b>315</b>	<b>451</b>

**2.2 Other current assets**

	As at	
	31 March 2023	31 March 2022
Unsecured , considered good		
Others		
Goods and service tax receivable	85	73
Less: Provision for Goods and service tax receivable	(85)	(73)
	<b>-</b>	<b>-</b>

**2.3 Equity Share capital**

	As at	
	31 March 2023	31 March 2022
<b>Authorized</b>		
2,500,000 (31 March 2022, 2,500,000) equity shares of ₹ 2 each	5,000	5,000
<b>Issued, subscribed and fully paid up</b>		
2,150,000 (31 March 2022, 2,150,000) equity shares ₹ 2 each	4,300	4,300

**Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year**

	As at			
	31 March 2023		31 March 2022	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Number of shares at the beginning	2,150,000	4,300	2,150,000	4,300
Number of shares at the end	2,150,000	4,300	2,150,000	4,300

**Shares held by holding company:**

Name of the shareholder	As at			
	31 March 2023		31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 2 each fully paid				
Sankalp Semiconductor Private Limited	2,150,000	100%	2,150,000	100%

**Details of shareholders holding more than 5 % shares in the company**

Name of the shareholder	As at			
	31 March 2023		31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 2 each fully paid				
Sankalp Semiconductor Private Limited	2,150,000	100%	2,150,000	100%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There were no bonus shares issued, no share issued for consideration other than cash and no shares bought back during the year (31 March 2022 : Nil).

**Sankguj Semiconductor Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
(All amounts in thousands of ₹ except share data and as stated otherwise)

**2.4 Trade Payables - current**

	As at	
	31 March 2023	31 March 2022
Unbilled and accruals	60	46
Unbilled and accruals - related parties (refer note 2.12)	2	-
	<b>62</b>	<b>46</b>

**2.5 Other current liabilities**

	As at	
	31 March 2023	31 March 2022
Withholding and other taxes payable	-	9
	<b>-</b>	<b>9</b>

**2.6 Other income**

	Year ended	
	31 March 2023	31 March 2022
Interest income on income tax refund	-	62
	<b>-</b>	<b>62</b>

**2.7 Finance costs**

	Year ended	
	31 March 2023	31 March 2022
Interest		
-on loan from related party (refer note 2.12)	-	8
Bank charges	1	1
	<b>1</b>	<b>9</b>

**2.8 Other expenses**

	Year ended	
	31 March 2023	31 March 2022
Rent	60	70
Legal and professional charges	70	129
Provision for GST recoverable	12	22
	<b>142</b>	<b>221</b>

**2.9 Income taxes**

	Year ended	
	31 March 2023	31 March 2022
Income tax charged to statement of profit and loss		
Current tax	-	-
Deferred tax charge (credit)	-	-
	<b>-</b>	<b>-</b>

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 March 2023	31 March 2022
Loss before tax	(143)	(168)
Statutory tax rate in India	25.17%	25.17%
<b>Expected tax expense</b>	<b>(36)</b>	<b>(42)</b>
Unrecognised tax benefits	36	42
<b>Total taxes</b>	<b>-</b>	<b>-</b>
Effective income tax rate	0%	0%

No deferred tax asset is recognised as there is no reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Company.



**Sankguj Semiconductor Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in thousands of ₹ except share data and as stated otherwise)

**2.10 Earnings Per Share**

The computation of earnings per equity share is as follows:

	Year ended	
	31 March 2023	31 March 2022
Loss for the year attributable to shareholders of the Company	(143)	(168)
Weighted average number of equity shares outstanding in calculating Basic EPS	2,150,000	2,150,000
Weighted average number of equity shares outstanding in calculating dilutive EPS	2,150,000	2,150,000
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹)		
- Basic	(0.07)	(0.08)
- Diluted	(0.07)	(0.08)

**2.11 Financial instruments****Financial assets and liabilities**

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

	Amortized cost	Total
<b>Financial assets</b>		
Cash and cash equivalents	315	315
<b>Total</b>	<b>315</b>	<b>315</b>
<b>Financial liabilities</b>		
Trade payables - unbilled and accruals	62	62
<b>Total</b>	<b>62</b>	<b>62</b>

The carrying value of financial instruments by categories as at 31 March 2022 is as follows:

	Amortized cost	Total
<b>Financial assets</b>		
Cash and cash equivalents	451	451
<b>Total</b>	<b>451</b>	<b>451</b>
<b>Financial liabilities</b>		
Trade payables - unbilled and accruals	46	46
<b>Total</b>	<b>46</b>	<b>46</b>

The Company assessed that fair value of cash, borrowings, other current liabilities and other current assets approximate their carrying amounts largely due to the short-term maturities of these instruments. As on 31 March 2023 and 2022, all the liabilities are current in nature.

**2.12 Related party transactions****a) Related parties where control exists**

HCL Technologies Limited Limited - Ultimate Holding company  
Sankalp Semiconductor Private Limited - Holding company

**b) Related parties with whom transaction have taken place**

HCL Technologies Limited Limited - Ultimate Holding company  
Sankalp Semiconductor Private Limited - Holding company

Transactions with related parties during the normal course of business	Holding Company	
	Year ended	
	31 March 2023	31 March 2022
Interest expense	-	8
Loan repaid	-	1,000

## 2.12 Related party transactions (continued)

Material related party transactions	Year ended	
	31 March 2023	31 March 2022
Sankalp Semiconductor Private Limited		
Interest expense	-	8
Loan repaid	-	1,000

Outstanding balances	Ultimate Holding Company	
	As at	
	31 March 2023	31 March 2022
Other financial liabilities and other liabilities	2	-

## 2.13 Micro and small enterprises

As per information with the management, the due payable as at any time during the year ended 31 March 2023 to enterprises covered under "The Micro, Small and Medium Enterprises development Act, 2006" is Nil (31 March 2022 : Nil).

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

## 2.14 Ratio

Ratio	Numerator	Denominator	Units	Year ended		% Variance
				31 March 2023	31 March 2022	
Current ratio	Current assets	Current liabilities	Times	5.1	8.1	-37%
Debt service coverage ratio	Earning available for debt service (refer note 1 below)	Debt service (refer note 2 below)	Times	-	(0.2)	-100%
Return on equity ratio	Loss for the year	Average total equity	%	(44.2)	(34.9)	26%
Trade payables turnover ratio	Net credit purchases (refer note below 3)	Average trade Payables	Times	2.6	4.8	-45%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 4 below)	%	(45.6)	(37.2)	23%

### Notes :

- (1) Earning availables for debt services = Loss for the year + depreciation+ interest + non cash charges
- (2) Debt service = Interest + principal repayments
- (3) Net credit purchases includes other expenses
- (4) Capital employed = Tangible net worth + total debt
- (5) Average is calculated based on simple average of opening and closing balances.

### Explanation where change in the ratio is more than 25%

1. Current ratio has reduced due to decrease in current assets.
2. Debt service coverage ratio has improved because there is no borrowing and interest on borrowing paid in current financial year.
3. Trade payable turnover ratio has declined due to decrease in other expenses.
4. Return on equity ratio has decreased due to decrease in average equity as on 31.03.2023 as compared to previous financial year.

**Sankguj Semiconductor Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
(All amounts in thousands of ₹ except share data and as stated otherwise)

**2.15 Payment to auditors**

	Year ended	
	31 March 2023	31 March 2022
Statutory audit fees	55	50
	55	50

**2.16** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**As per our report of even date attached**

**For B S R & Associates LLP**  
**Chartered Accountants**  
Firm's registration number : 116231W/W-100024

**GAJENDR** Digitally signed by  
**A SHARMA** GAJENDRA SHARMA  
Date: 2023.06.02  
17:27:15 +05'30'  
**Gajendra Sharma**  
**Partner**  
Membership Number: 064440

Gurugram, India  
02 June 2023

**For and on behalf of the Board of Directors**  
**of Sankguj Semiconductor Private Limited**

**VARRE**  
**VENKATA**  
**APPA RAO**  
**Venkata Varre Appa Rao**  
**Director**  
DIN - 02582330

Noida (UP), India  
02 June 2023

**ANUP**  
**DUTTA**  
**Anup Dutta**  
**Director**  
DIN - 01051776