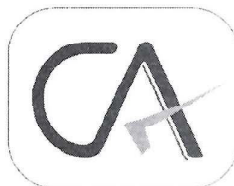


CA S.S. Swamy

B.Sc. B.Com. F.C.A., CAIIB

Chartered Accountant



Tel: 23415223 (O)

9482500001 (M)

Office: No. 16, I Stage,
Railway Colony, Lottogollahalli,
New BEL Road,
BANGALORE – 560 094.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
SASKEN COMMUNICATION TECHNOLOGIES (SHANGHAI) CO., LIMITED**

Report on the Audit of Financial Statements

I have audited the accompanying financial statements of **SASKEN COMMUNICATION TECHNOLOGIES (SHANGHAI) CO., LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes thereon, including a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Winding up of the activities of the Company

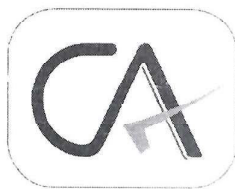
Pursuant to the resolution dated October 18, 2019, liquidation of the Company has been completed by realization of all assets, discharge of all outside liabilities and refund of surpluses to the sole member namely M/s Sasken Technologies Limited. There are no assets and liabilities as on the date of Balance Sheet.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Financial Statements of the current period. These matters were addressed in the context of my audit of the Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Other Information

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

My opinion on the Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the "Act") with respect to preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Company's management is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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,

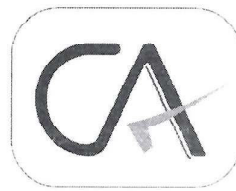
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CA S.S. Swamy

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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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

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

I communicate with 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirements

(A) As required by Section 143(3) of the Act, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 my opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

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

- i. The Company has disclosed the impact of pending litigations as at 31st March 2022 on its financial position in its Financial Statements.
- ii. The Company did not have any materials long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March 2022.

Bangalore

Date: April 21, 2022

Signature:

Name: S.S. SWAMY

Membership No. 019990

UDIN: 22019990AJHALG2445



S.S. SWAMY
CHARTERED ACCOUNTANT
16, 1st Stage, Railway Colony
Lottegollahalli, New BEL Road
Bangalore - 560 094
Membership No. 019990

Sasken Communication Technologies (Shanghai) Co., Limited


Balance sheet

Particulars	Notes	Amount in Rs.	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	-	-
Financial assets			
Other financial assets	5	-	-
Total non-current assets		-	-
Current assets			
Financial assets			
Trade receivables	6	-	20,200,484
Cash and cash equivalents	7	-	17,615,958
Other current assets	8	-	-
Total current assets		-	37,816,442
Total assets		-	37,816,442
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	-	32,991,492
Other equity	10	-	(2,357,076)
		-	30,634,416
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	11	-	4,748,644
Other current liabilities	12	-	2,433,382
Total current liabilities		-	7,182,026
Total equity and liabilities		-	37,816,442

The accompanying notes form an integral part of the financial statements

As per my report of even date

Sasken Communication Technologies
(Shanghai) Co., Limited


S.S. Swamy
Chartered Accountant
Membership No.019990


Neeta Revankar
Legal Representative
DIN: 00145580

Place: Bengaluru
Date : April 21, 2022

Place: Bengaluru
Date : April 21, 2022



Sasken Communication Technologies (Shanghai) Co., Limited


Statement of profit and loss

Amount in Rs.

Particulars	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue from operations	13	-	-
Other income	14	4,201,663	(1,031,780)
Total income		4,201,663	(1,031,780)
Expenses			
Employee benefits	15	-	(4,540,353)
Depreciation and amortisation	4	-	-
Other expenses	16	17,520,825	1,038,908
Total expenses		17,520,825	(3,501,445)
Profit before income tax		(13,319,162)	2,469,665
Tax expenses:			
Current income taxes	17	-	-
		-	-
Profit after tax for the year		(13,319,162)	2,469,665
Foreign Exchange Translation Reserve			(20,432,360)
Other comprehensive income		-	(20,432,360)
Total comprehensive income for the year		(13,319,162)	(17,962,695)

The accompanying notes form an integral part of the financial statements
As per my report of even date

Sasken Communication Technologies (Shanghai)
Co., Limited


S.S. Swamy
Chartered Accountant
Membership No.019990



Place: Bengaluru
Date : April 21, 2022



Neeta Revankar
Legal Representative
DIN: 00145580

Place: Bengaluru
Date : April 21, 2022



Sasken Communication Technologies (Shanghai) Co., Limited
Statement of changes in equity

Amount in Rs.

A. Equity share capital


Balance as at 1st April 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
32,991,492	-	32,991,492
Balance as at 1st April 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
32,991,492	(32,991,492.00)	-

B. Other Equity

Particulars	General Reserve	Retained Earning	Other Reserves	Total
Balance as at April 1, 2020	6,653,746	(6,045,935)	(6,741,891)	(6,134,080)
Profit / (loss) for the period	-	2,469,665	-	2,469,665
Dividend Paid	-	-	-	-
Transferred to General reserve	-	-	-	-
Movement for the period	-	-	1,307,339	1,307,339
Balance as at March 31, 2021	6,653,746	(3,576,270)	(5,434,552)	(2,357,076)

Particulars	General Reserve	Retained Earning	Other Reserves	Total
Balance as at April 1, 2021	6,653,746	(3,576,270)	(5,434,552)	(2,357,076)
Profit / (loss) for the year	-	(13,319,162)	-	(13,319,162)
Capital movement on account of Voluntary Winding up	-	15,676,238	-	15,676,238
Movement for the year	(6,653,746)	1,219,195	5,434,552	-
Balance as at March 31, 2022	-	-	-	-

In terms of my report attached


S.S. Swamy
Chartered Accountants
Membership No. 019990



Place : Bengaluru
Date : April 21, 2022

Sasken Communication Technologies (Shanghai)
Co., Limited



Neeta Revankar
Legal Representative
DIN: 00145580

Place : Bengaluru
Date : April 21, 2022



Sasken Communication Technologies (Shanghai) Co., Limited

Cash Flow Statement

Amounts in Rs.

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	(13,319,162)	2,469,665
Adjustments for:		
Depreciation and amortization	-	-
Unrealised exchange (gain) / loss	-	1,517,265
Other income	(32,904)	(63,541)
Operating profit before working capital changes	(13,352,066)	3,923,389
Adjustments for:		
(Increase)/decrease in Trade Receivables	20,783,015	(4,345)
(Increase)/decrease in Other Financial Assets	-	352,650
Increase/(decrease) in Trade Payables	(4,885,583)	(4,567,298)
Increase/(decrease) in Liabilities	(2,503,555)	(1,429,458)
Cash generated from operations	41,811	(1,725,062)
Income taxes paid (net)	-	-
Net cash generated from/ (used in) operating activities	41,811	(1,725,062)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	-	0
Other income	32,904	63,541
Net cash generated from investing activities	32,904	63,541
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Capital Reduction	(17,315,252)	-
Net cash used in financing activities	(17,315,252)	-
Net increase in cash and cash equivalents	(17,240,537)	(1,661,522)
Impact on account of Foreign Currency Translation	(375,420.80)	945,059
Cash and cash equivalents at the beginning of the period	17,615,958	18,332,431
Cash and cash equivalents at the end of the period	-	17,615,968

The accompanying notes form an integral part of the financial statements

In terms of my report attached

Sasken Communication Technologies (Shanghai) Co.,
Limited

S.S. Swamy
Chartered Accountant
Membership No.019990



Place: Bengaluru
Date : April 21, 2022

Neeta

Neeta Revankar
Legal Representative
DIN: 00145580

Place: Bengaluru
Date : April 21, 2022



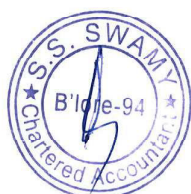
Sasken Communication Technologies (Shanghai) Co., Limited

Notes to the financial statements

4. Property, plant and equipment

Amount in Rs.

Particulars	Computers	Office Equipment	Total
Gross Block			
As at April 01, 2020	766,451	135,994	902,445
Additions during the year	-	-	-
Adjustments	32,571	5,774	38,345
As at March 31, 2021	799,022	141,768	940,790
Additions during the year	-	-	-
Adjustments	23,042	4,084	27,125
As at March 31, 2022	822,064	145,852	967,915
Depreciation / Amortization			
As at April 01, 2020	766,451	135,994	902,445
Charge for the year	-	-	-
Adjustments	32,571	5,774	38,345
As at March 31, 2021	799,022	141,768	940,790
Charge for the year	-	-	-
Adjustments	23,042	4,084	27,125
As at March 31, 2022	822,064	145,852	967,915
Net Block			
As at March 31, 2021	-	-	-
As at March 31, 2022	-	-	-



Sasken Communication Technologies (Shanghai) Co., Limited

Notes to the financial statements

Non-current assets

Amount in Rs.

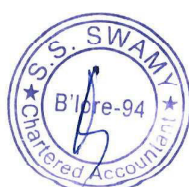
5	Financial assets			
	Other financial assets			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Security Deposits	-	-	
	Total	-	-	

Current assets

6	Trade receivables			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	<i>Unsecured</i>			
	Considered good	-	20,200,484	
	Total	-	20,200,484	
	Net trade receivables	-	20,200,484	

7	Cash and cash equivalents			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Balances with Banks			
	On current accounts	-	17,615,921	
	Cash on hand	-	37	
	Cash and cash equivalents in the statement of cash flows	-	17,615,958	

8	Other current assets			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Balances with government authorities	-	-	
	Advances to suppliers	-	-	
	Total	-	-	



Sasken Communication Technologies (Shanghai) Co., Limited

Notes to the financial statements

Amount in Rs.

13 Revenue from operations

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue		
Software services	-	-
Total	-	-

14 Other income

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest income from:		
on Others	32,904	63,541
Write back of unclaimed balances/ provisions	2,488,402	-
Exchange loss (net)	1,680,357	(1,227,986)
Total	4,201,663	(1,031,780)

Expenses

15 Employee benefits expense

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries & Bonus	-	(3,309,462)
Contribution to Provident and Other Funds	-	(1,230,891)
Total	-	(4,540,353)

16 Other expenses

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Rent	-	429,868
Repairs and maintenance		
On Building	-	34,972
On Others	-	127,582
Travel expense	-	(13,069)
Professional, legal and consultancy charges	-	430,964
Audit fees (fees for local GAAP financials)	-	(53,418)
Rates and taxes	-	35,035
Write-Off of common costs recoverable from Parent (17,496,341	-
Miscellaneous expenses	24,484	46,898
Total	17,520,825	1,038,908



Sasken Communication Technologies (Shanghai) Co., Limited

Notes to the financial statements

Current liabilities

Amount in Rs.

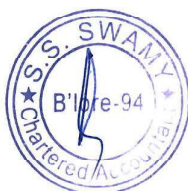
11 Financial liabilities

Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding dues of creditors other than micro enterprises and small enterprises	-	4,748,644
Total	-	4,748,644

12 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities	-	2,433,382
Total	-	2,433,382



Sasken Communication Technologies (Shanghai) Co., Limited

Notes to the financial statements

1. Company Overview

1. The company is a wholly owned subsidiary of Sasken Technologies Limited (formerly known as Sasken Communication Technologies Limited). Key Management Personnel: Ms. Neeta Revankar, Managing Director. The company was incorporated on 4th January 2006 under the People's Republic of China Laws. On October 18, 2019, the Board of Directors accorded for winding up of the company and accordingly Business License has been cancelled on March 3, 2021. Due to delay in funds transfer from the company bank account to parent company i.e. Sasken Technologies Limited, the final repatriation completed on September 29, 2021.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. These financials statements have been prepared for the purpose of consolidation with the financial statements of Sasken Technologies Limited, the Holding Company.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Parent Company's reporting currency, functional currency being CNY. All amounts included in the financial statements are reported in INR, except share and per share data, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the reliable value basis and not on going concern basis as Board of Directors accorded for winding up of the company and accordingly Business License has been cancelled on March 3, 2021.

3. Significant accounting policies

(a) Property, Plant and Equipment (including intangible assets)

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work-in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation and Amortization

Based on an independent assessment, the management has estimated the useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II. Management believes this best represents the period over which they expect to use these assets. Depreciation is provided using the straight line method (SLM), over the estimated useful life of the asset, as follows:

Type of asset	Estimated useful life	Useful life as per Schedule II
Building	20	60
Computers	3	3
Electrical and fittings	5	10
Furniture and fixtures	10	10
Office equipment	5	5
Plant and equipments	5	15

Leasehold improvements are amortized over the shorter of the estimated useful life of the assets and the related lease term.



Intangible assets are amortized over the estimated useful life, on a straight line basis, as follows:

1. Computer Software -
 - a. Computer Software used for development of software/rendering software services - over the life of the project/product - 1 year to 5 years.
 - b. Generic Computer Software - over 1 year.
 - c. Product Software for administration purposes - 3 years.
2. Technical know-how - over a period of 3 years.

v. Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Equipment or facilities that are acquired or constructed for research and development activities, which have alternative future uses are capitalized as tangible assets. Depreciation on such assets, during the research phase, is charged to expense as research and development costs.

vi. Capitalization and Amortization of Software Products

Costs incurred during the research phase are expensed off as period costs. Costs incurred towards development of computer software products meant for sale, lease or otherwise marketed, are capitalized subsequent to establishing the technological feasibility provided future economic benefit is probable and the Company has an intention and ability to complete and use or sell software and costs can be measured reliably. The costs are expensed as period costs, if the technological feasibility is not established. Capitalization ceases when the product is ready for general release to customers. Capitalized software product costs are amortized on a straight line method over the remaining estimated economic life of the product. The unamortized cost of capitalized software products is carried at cost, less accumulated amortization less impairment, if any.

(c) Leases

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

The Company recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The Company has measured the lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has recognized a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The Company has chosen to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The right-of-use assets is depreciated using the straight-line method from the date of initial application over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(d) Revenue

The Company derives its revenues from rendering software services, product and technology licensing and installation and commissioning

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, significant terms of the arrangement are enforceable, the revenue can be reliably measured and the collection is probable. The following specific recognition criteria must also be met before revenue is recognized.

Revenue and costs relating to time and material contracts are recognized as the services are rendered. Revenue from fixed price service contracts and customized products or technology developments is recognized based on the proportionate completion method. Revenue from maintenance contracts is recognized ratably over the term of the maintenance arrangement.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Deferred revenues' represent billing in excess of revenue recognized.

Revenue from royalty is recognized on an accrual basis based on customer confirmation of shipment volumes, provided collection is probable.

Revenue related to post contract customer support is recognized rateably over the support period.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

The Company recognizes revenue which is litigated once the litigation has reached finality and has the assurance of collecting the award.

(e) Foreign currency

(i) Foreign currency transactions

Initial Recognition

Transactions in foreign currency are translated into the reporting currency by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);
- qualifying cash flow hedges to the extent that the hedges are effective.



Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(ii) Foreign Operations

The assets and liabilities of foreign operations are translated into INR, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

(f) Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 3(c)(v) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates



Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(g) Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:
- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

i. Impairment of non financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

(h) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(i) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(j) Provisions and contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is neither recognised or disclosed in the financial statement.

(k) Warranty Provisions

Provision for warranty related costs are recognised when the license is provided or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised periodically.

(l) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity value of three months or less. The cash flow statement is prepared under the indirect method.



17 Related Party Disclosures

The following table summarizes the transactions and balances of the Company with group companies:
Holding Company Sasken Technologies Limited

Transactions	For the Year Ended March 31, 2022	Amount in Rs. For the Year Ended March 31, 2021
Sasken Technologies Limited Capital Repatriation	17,315,252	-
Balances	As at March 31, 2022	Amount in Rs. As at March 31, 2021
Sasken Technologies Limited Subscription to the Share Capital	-	32,991,492
Receivable	-	20,200,484
Payable (Incl. provisions)	-	4,748,644

18 The Company has following foreign currency exposures which are not hedged:

Particulars	As at March 31, 2022	As at March 31, 2021
	US Dollar (USD)	US Dollar (USD)
Amount in Foreign Currency		
Trade receivables	-	276,075.62
Current Liabilities	-	64,898.68
Net Receivable/ (Payable)	-	211,176.94
Amount in Rs.		
Trade receivables	-	20,200,484
Current Liabilities	-	4,748,644
Net Receivable/ (Payable)	-	15,451,840

19 Other Notes

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is Nil, (As at March 31, 2021: Nil)
b) Contingent Liabilities - Bank Guarantee given amounting to Rs. Nil (As at March 31, 2021: Rs. Nil)

As per my report of even date



S.S. Swamy
Chartered Accountant
Membership No.019990



Sasken Communication Technologies (Shanghai) Co., Limited



Neeta Revankar
Legal Representative
DIN: 00145580

Place : Bengaluru
Date : April 21, 2022

