S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
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INDEPENDENT AUDITOR'S REPORT

To the Members of Mistral Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mistral Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material 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 standalone financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 audit opinion on the standalone financial statements.

Other Information

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

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Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

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

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

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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2023,, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 21, 2023.

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 Sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

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(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 32 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standard for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer notes 17 and 39 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 to the standalone 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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vi. The Company has used two accounting software's for maintaining its books of account. With respect to one accounting software, the Company has migrated to an upgraded version of accounting software from legacy accounting software during the year effective from June 19, 2023. Based on our examination which included test checks, the accounting software used has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except in respect of legacy accounting software where audit trail feature was not enabled, as described in note 45 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of upgraded version of the accounting software.

As further described in note 45 to the standalone financial statements, based on our examination which included test checks, the audit trail feature is not enabled for accounting software used for inventory management. Consequently, we are unable to comment on audit trail feature of the aforesaid accounting software.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 24104315BKEXHL7821

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: May 08, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Mistral Solutions Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are 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 inventory has been physically verified by the Management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the Management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and no discrepancies were noticed in respect of such confirmations.

(b) As disclosed in note 13 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

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(iii) (a) During the year the Company has not provided advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other party. Further, during the year the Company has granted loan, provided security and stood guarantee to its Holding Company as follows:

	Loans (INR in lakhs)	**Guarantee/ Security (INR in lakhs)**
Aggregate amount granted during the year		
- Holding Company	3,200	21,000
Balance outstanding as at balance sheet date in respect of above case - Holding Company	3,200	10,500

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to any subsidiaries and associate.

(b) During the year, the Company has not provided advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the guarantees provided, security given and the terms and conditions of the grant of all loans, guarantees provided and securities given to the Holding Company is not prejudicial to the Company's interest.

(c) The Company has granted loan during the year to its Holding Company where the schedule of repayment of principal and payment of interest has been stipulated. The loan and interest were not due as at the year end.

(d) There are no amounts of loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of goods and services provided by it and are of the opinion that prima facie, the specified accounts and

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Bengaluru

records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Amount paid under protest (INR in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	638.79	492.80	Financial Year 2011-12, Financial Year 2015-16 to Financial Year 2017-18	Commissioner of Income Tax (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loan outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

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(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of Sections 42 and 62 of the Companies Act, 2013 in respect of private placement of Compulsorily Convertible Preference Shares during the year. The Company has not made any private placement of fully or partly convertible debentures or preferential allotment of shares or fully or partly convertible debentures during the year. As informed by the Management, the funds raised has not been utilised till the year end and has been kept in a separate bank account.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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(xvii) The Company has not incurred any cash losses in the current and immediately preceding financial year.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 41 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) As per the provisions of Section 135 of the Companies Act, 2013, the Company has spent the required amount during the year towards corporate social responsibility. Accordingly, there are no unspent amounts to be transferred to special account in compliance with provisions of Sub-section (5) and Sub-section (6) of Section 135 of the Companies Act, 2013. This matter has been disclosed in note 34 to the standalone financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number: 101049W/E300004

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 24104315BKEXHL7821

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: May 08, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MISTRAL SOLUTIONS PRIVATE LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of Mistral Solutions Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

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preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP
Bengaluru

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 24104315BKEXHL7821

Place of Signature: Bengaluru
Date: May 08, 2024

Mistral Solutions Private Limited
Standalone Balance Sheet as at 31 March 2024
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	1,036.92	867.06
Intangible assets	5	231.85	154.12
Right-of-use assets	31	1,395.70	437.41
Financial assets			
Investments	6	922.16	960.39
Loans	7	3,200.00	-
Other financial assets	8	737.34	221.03
Deferred tax assets (net)	29	133.01	120.03
Non-current tax asset (net)	9	181.76	182.43
Other non-current assets	10	1.20	6.03
		7,839.94	2,948.50
Current assets			
Inventories	11	6,532.36	6,085.96
Financial assets			
Investments	6	2,783.94	2,453.21
Trade receivables	12	6,996.15	5,327.10
Cash and cash equivalent	13	1,199.17	1,222.68
Bank balances other than cash and cash equivalent	14	597.63	1,446.63
Other financial assets	8	777.83	691.35
Other current assets	10	4,523.80	5,747.77
		23,410.88	22,974.70
Total assets		31,250.82	25,923.20
Equity and liabilities			
Equity			
Equity share capital	15	203.39	203.39
Instruments entirely equity in nature	15	6.04	1.90
Other equity	16	20,851.76	16,359.92
Total equity		21,061.19	16,565.21
Non-current liabilities			
Financial liabilities			
Lease liabilities	31	1,040.15	169.26
Provisions	17	145.69	126.63
		1,185.84	295.89
Current liabilities			
Financial liabilities			
Lease liabilities	31	364.05	297.95
Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		77.72	135.84
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,593.22	2,464.23
Other financial liabilities	19	711.77	1,066.34
Other current liabilities	20	3,642.49	3,786.86
Provisions	17	1,068.87	1,021.92
Current tax liabilities (net)		545.67	288.96
		9,003.79	9,062.10
Total liabilities		10,189.63	9,357.99
Total equity and liabilities		31,250.82	25,923.20

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

S.R. Batliboi & Associates LLP Bengaluru

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN: U72200KA1999PTC025232

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru India
Date: 08 May 2024

Mistral Solutions Pvt. Ltd. Bangalore

Mistral Solutions Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2024
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customers	21	31,473.10	27,012.00
Other income	22	565.26	244.53
Total income		**32,038.36**	**27,256.53**
Expenses			
Cost of raw material and components consumed	23	13,102.81	10,018.65
Purchase of traded goods		2,078.43	3,205.57
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	24	56.94	(204.00)
Employee benefits expense	25	8,654.15	8,247.09
Finance costs	26	97.68	78.29
Depreciation and amortisation expense	27	759.61	678.13
Other expenses	28	1,996.32	1,919.81
Total expense		**26,745.94**	**23,943.54**
Profit before tax		**5,292.42**	**3,312.99**
Income tax expense			
Current tax	29	1,360.11	1,168.76
Deferred tax credit	29	(8.29)	(31.04)
		1,351.82	**1,137.72**
Profit for the year		**3,940.60**	**2,175.27**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		(18.63)	(1.47)
Income tax effect		4.69	0.37
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(13.94)**	**(1.10)**
Other comprehensive income for the year, net of tax		**(13.94)**	**(1.10)**
Total comprehensive income for the year, net of tax		**3,926.66**	**2,174.17**
Earnings per share			
Basic (Rs. 5 per share), computed on the basis of profit for the year	30	94.66	53.93
Diluted (Rs. 5 per share), computed on the basis of profit for the year	30	94.66	53.93

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

Sunil Gaggar
Partner
Membership Number: 104315

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN: U72200KA1999PTC025232

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

Mistral Solutions Pvt. Ltd. Bangalore

For the year ended 31 March 2024

a. Equity Share Capital

Equity shares of Rs. 5 each issued, subscribed and fully paid	Equity shares Number in lakhs	Amount
As at 1 April 2023	40.68	203.39
Add: Issued and subscribed during the year	-	-
As at 31 March 2024	40.68	203.39

b. Instruments entirely equity in nature

i) Series B preference shares of Rs. 5 each issued, subscribed and fully paid	Number in lakhs	Amount
As at 1 April 2023	0.38	1.90
Add: Issued and subscribed during the year	-	-
As at 31 March 2024	0.38	1.90

ii) Series C preference shares of Rs. 5 each issued, subscribed and partly paid	Number in lakhs	Amount
As at 1 April 2023	-	-
Add: Issued and subscribed during the year (partly paid-up, Rs. 1 each paid-up) (Note: 15)	4.14	4.14
As at 31 March 2024	4.14	4.14
Total instruments entirely equity in nature	4.52	6.04

For the year ended 31 March 2023

a. Equity Share Capital

Equity shares of Rs. 5 each issued, subscribed and fully paid	Equity shares Number in lakhs	Amount
As at 1 April 2022	38.05	190.27
Add: Issued and subscribed during the year* (Note: 15)	2.63	13.12
As at 31 March 2023	40.68	203.39

* During the previous year ended 31 March 2023, the Company allotted 262,500 equity shares of Rs. 5 each aggregating Rs. 13.12 lakhs, consequent to the exercise of stock options by employees of the Company under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010".

b. Instruments entirely equity in nature

i) Series B preference shares of Rs. 5 each issued, subscribed and fully paid	Number in lakhs	Amount
As at 1 April 2022	0.38	1.90
Add: Issued and subscribed during the year	-	-
As at 31 March 2023	0.38	1.90

ii) Series C preference shares of Rs. Nil each issued, subscribed and partly paid	Number in lakhs	Amount
As at 1 April 2022	-	-
Add: Issued and subscribed during the year	-	-
As at 31 March 2023	-	-
Total instruments entirely equity in nature	0.38	1.90

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S.R. Batliboi & Associates LLP Bengaluru

SOLUTIONS PVT. LTD. BANGALORE

Mistral Solutions Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2024 (continued)
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

c. Other Equity (refer note 16)

For the year ended 31 March 2024

	Reserves and surplus							
	Securities premium	Share based payment reserve	Equity contribution by preference and equity share holders on relinquishment of rights	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Total
As at 1 April 2023	1,193.70	-	941.65	45.73	1,414.44	55.30	12,709.10	16,359.92
Profit for the year	-	-	-	-	-	-	3,940.60	3,940.60
Re-measurement losses on defined benefit plans, net of tax	-	-	-	-	-	-	(13.94)	(13.94)
Total comprehensive income for the year	-	-	-	-	-	-	3,926.67	3,926.67
Option premium on fair valuation of derivative (refer note 39)	-	-	-	-	-	-	565.18	565.18
As at 31 March 2024	1,193.70	-	941.65	45.73	1,414.44	55.30	17,200.94	20,851.76

For the year ended 31 March 2023

	Reserves and surplus							
	Securities premium	Share based payment reserve	Equity contribution by preference and equity share holders on relinquishment of rights	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Total
As at 1 April 2022	888.19	470.28	941.65	45.73	-	55.30	11,390.02	13,791.17
Profit for the year	-	-	-	-	-	-	2,175.27	2,175.27
Re-measurement losses in defined benefit plans, net of tax	-	-	-	-	-	-	(1.10)	(1.10)
Total comprehensive income for the year	-	-	-	-	-	-	2,174.17	2,174.17
Share based payments to employees (refer note 25 and 38)	-	403.14	-	-	556.62	-	(289.91)	669.85
Transfer from share based payment reserve (refer note 38)	305.51	(873.42)	-	-	857.82	-	-	289.91
Option premium on fair valuation of derivative (refer note 39)	-	-	-	-	-	-	(565.18)	(565.18)
As at 31 March 2023	1,193.70	-	941.65	45.73	1,414.44	55.30	12,709.10	16,359.92

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

S. R. Batliboi & Associates LLP
Bengaluru

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN: U72200KA1999PTC025232

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

MISTRAL SOLUTIONS PVT. LTD.
BANGALORE

Mistral Solutions Private Limited
Standalone Statement of Cash Flows for the year ended 31 March 2024
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Operating activities			
Profit before tax		5,292.42	3,312.99
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	27	759.61	678.13
Share based payments to employees	25	-	403.14
Payment by Holding Company for cancellation of ESOPs promised but not granted		-	556.62
Option premium on fair valuation of derivative		565.18	(565.18)
Fair value gain on financial instruments at fair value through profit and loss (net)	22	(96.51)	(47.34)
Loss on disposal of property, plant and equipment	28	3.65	2.37
Provision no longer required, written back	22	(2.12)	-
Provision for doubtful debts	28	3.07	15.79
Provision for warranties, foreseeable loss on contracts and others (net of reversals)	28	-	19.37
Advances written off	28	-	0.40
Net foreign exchange differences (unrealised)		0.55	(4.73)
Dividend income	22	(15.68)	-
Finance income	22	(340.08)	(138.81)
Finance costs	26	97.68	78.29
		6,267.77	**4,311.04**
Working capital adjustments:			
(Increase) in inventories		(446.40)	(1,426.15)
(Increase) in trade receivables		(1,679.97)	(525.82)
Decrease/(increase) in other assets including financial assets		1,329.75	(628.89)
(Decrease)/increase in trade payables, other liabilities and provisions		(371.28)	1,497.60
		5,099.87	**3,227.78**
Income tax paid (net)		(1,102.72)	(900.97)
Net cash flows from operating activities		**3,997.15**	**2,326.81**
Investing activities			
Purchase of property, plant and equipment and intangible assets		(618.59)	(435.91)
Proceeds from sale of property, plant and equipment		26.26	4.50
Purchase of units of mutual fund		(10,865.00)	(8,650.11)
Proceeds from sale of units of mutual fund		10,669.01	6,606.88
Investment in fixed deposits		(598.22)	(55.86)
Redemption/ maturity proceeds of fixed deposits		689.07	838.37
Interest received (finance income)		340.81	136.66
Net cash flows used in investing activities		**(356.66)**	**(1,555.47)**
Financing activities			
Payment of principal and interest portion of lease liabilities	31	(452.20)	(413.05)
Proceeds from issuance of preference shares	15	4.14	-
Inter corporate deposit given	7	(3,200.00)	-
Interest paid		(15.94)	(7.91)
Net cash flows used in financing activities		**(3,664.00)**	**(420.96)**
Net (decrease)/ increase in cash and cash equivalent		**(23.51)**	**350.38**
Cash and cash equivalents at the beginning of the year	13	1,222.68	872.30
Cash and cash equivalents at year end	13	**1,199.17**	**1,222.68**

Notes:

	As at 31 March 2024	As at 31 March 2023
a) Cash and cash equivalent include:		
Cash on hand	0.26	0.30
Balances with banks		
On current accounts	1,194.77	1,222.38
On Escrow account	4.14	-
	1,199.17	**1,222.68**

	31 March 2024	31 March 2023
b) Changes in liabilities arising from financing activities:		
Opening balance of lease liabilities	467.21	593.89
Non-cash items		
Additions to lease liability	1,307.45	216.00
Accretion of interest	81.74	70.37
Cash flows	(452.20)	(413.05)
Closing balance of lease liabilities	**1,404.20**	**467.21**

S. R. Batliboi & Associates LLP Bengaluru

Mistral Solutions Pvt. Ltd. Bangalore

	As at 31 March 2024	As at 31 March 2023
c) Non cash financing and investing activities		
Acquisition of Right-of-use assets (Note 31)	1,357.66	224.79
Changes in fair value of investment in mutual and other funds (Note 33)	96.51	47.34

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN : U72200KA1999PTC025232

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

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Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

Mistral Solutions Pvt. Ltd. Bangalore

1 Corporate information:

The Standalone financial statements comprise financial statements of Mistral Solutions Private Limited ('the Company'/ 'Mistral') (CIN: U72200KA1999PTC025232) for the year ended 31 March 2024. Mistral Solutions Private Limited is a company domicilied in India, with its registered office situated at Bangalore. The Company was incorporated on 20 May 1999 under the provisions of the Indian Companies Act. The Registered Office of the Company is "#60, Adarsh Regent,100 Feet Ring Road, Domlur, Bangalore, Karnataka, India, 560071".

The Company is primarily engaged in rendering end-to-end services for product design and development in the embedded space. The Company offers design and development services covering hardware and software, customizable product designs and IPs, system integration and other solutions that improve quality and accelerate time-to-market for a broad range of embedded systems.

The Standalone financial statements were approved for issue in accordance with a resolution of the directors on 08 May 2024.

2 Material accounting policies

A. Statement of compliance and basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise stated.

C. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value [refer accounting policy 3(f) relating to financial instruments]
- Share based payments

D. Use of estimates and judgements

The preparation of the Company's Standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone financial statements

- Note 21 - revenue recognition: whether revenue from professional engineering service is recognized over time or at a point in time.
- Note 31 - leases: whether an arrangement contains a lease. Whether the Company is reasonably certain to exercise extension options.
- Note 36 - measurement of defined benefit obligations - Key actuarial assumptions

Assumptions and estimation uncertainities

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Note 29 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 31 - leases: lease term and incremental borrowing rate
- Note 36 - measurement of defined benefit obligations: key acturial assumptions;
- Note 17 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 40 – fair value measurement of financial instruments
- Note 4 and 5 - useful life of property, plant and equipment and intangible assets
- Note 6,7, 8, 12 , 13 and 14 - impairment of financial assets

This space has been intentionally left blank.

S.R. Batliboi & Associates LLP Bengaluru

Mistral Solutions Pvt. Ltd. Bangalore

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 38 - share-based payment; and
- Note 40 - financial instruments

F. Current/ Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when –
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3 Summary of material accounting policies

(a) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company depreciates the following assets over their estimated useful lives using the written down value (WDV) method except for vehicles. The estimated useful lives of assets are as follows:

Asset	Useful Life
Plant and equipment	15 years
Office equipment	5 years
Computer system (including testing equipment)*	6 years
Furniture and fixtures	10 years
Vehicles*	6 years

Leasehold improvements are depreciated over its lease period including renewable period or estimated useful life, whichever is shorter, on a written down value (WDV) basis.

S. R. Batliboi & Associates LLP Bengaluru

Bangalore

(a) Property, plant and equipment (continued)

* Based on an technical assessment, the Management believes that the useful lives as given above represents the period over which Management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The expected useful lives of property, plant and equipment are reviewed at-least annually.

Capital work-in-progress
Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

(b) Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Others
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation:
Intangible assets are amortized on written down value method over their respective individual estimated useful lives commencing from the date the asset is available to the Company for its use.

The estimated useful lives are as follows:

Asset	Useful Life
Computer Software	6 years

The expected useful lives are reviewed at the end of each financial year and adjusted if appropriate.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

(c) Impairment

***i.* Financial Assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

***ii.* Non - financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

S.R. Batliboi & Associates LLP Bengaluru

Mistral Solutions Pvt. Ltd. Bangalore

ii. Non - financial Assets (continued)

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.
An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(d) Leases

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

As a Lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the right-of-use asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

b) Lease Liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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(f) Financial instruments

i Recognition and initial measurement

Trade receivables and debt securites issued are initially recognised when they are originated. All other financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Trade receivables that do not contain significant financing component are measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

ii Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries and associate
Investment in subsidiaries and associate is carried at cost in the financial statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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

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

iv Offestting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(g) Foreign currencies

The Company's Standalone financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

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(h) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of the transaction price (net of variable consideration) allocated to that performance obligation.

The Company derives its revenue primarily from professional engineering services, sale of products and system engineering and traded sales.

Revenue from professional engineering services includes development contracts is either on time-and-material basis or fixed price contracts. Revenue on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue from sale of products is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. The contracts that Company enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Other operating income includes benefits arising out of transactions from the operations at the Company where payment is not done by the Company. The same is recognised when there is reasonable certainity about its realisation.

Revenue in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as deferred revenues).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Income from support services is recognized and accounted in accordance with the terms of the agreement for service.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

(i) Investment in subsidiaries and associate

A subsidiary is an entity that is controlled by another entity.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company's investments in its subsidiaries and associates are accounted at cost less impairment.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

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(j) Income Tax

Tax expense comprises current tax expense and deferred tax.

i Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(k) Provision and contingent liabilities

i General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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(k) Provision and contingent liabilities (continued)

ii Warranty provisions

The Company provides warranties for general repairs of defects that existed at the time of sale, as per the terms of contract. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

iii Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

iv Contingent Liability

Contingent liability is:
(a) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

(b) a present obligation that arises from past events but is not recognized because;
-it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
-the amount of the obligation cannot be measured with sufficient reliability.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

(l) Employee benefits

i Defined contibution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Provident fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

iii. Compensated leave

Compensated absences are provided for based on actuarial valuation carried out by an independent actuary as at the balance sheet date using the projected unit credit method.

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(m) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Segment reporting

Operating segments are reported in manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM.

(o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.
For the purpose of the Standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(q) Share capital

Incremental costs directly attributable to the issued equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IND AS 12.

(r) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.
The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

(s) Climate – related matters
The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

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4 Property, plant and equipment (PPE)

	Plant and equipment	Office equipment	Furniture and fixtures	Computer system	Vehicles	Test equipment	Leasehold improvements	Total
Cost								
As at 1 April 2022	331.11	48.33	70.46	473.13	375.39	335.55	51.81	1,685.78
Additions	10.15	18.71	7.82	53.75	144.15	34.83	38.09	307.50
Disposals	-	-	-	(3.49)	(28.83)	-	-	(32.32)
As at 31 March 2023	341.26	67.04	78.28	523.39	490.71	370.38	89.90	1,960.96
Additions	6.74	9.35	0.02	130.58	258.29	47.36	23.90	476.24
Disposals	(16.92)	(0.42)	(0.51)	(0.70)	(76.49)	(1.63)	-	(96.67)
As at 31 March 2024	331.08	75.97	77.79	653.27	672.51	416.11	113.80	2,340.53
Depreciation								
As at 1 April 2022	65.29	33.34	37.23	303.10	138.71	256.95	28.04	862.66
Charge for the year	46.15	11.37	16.73	67.23	58.42	27.42	29.38	256.70
Disposals	-	-	-	(2.55)	(22.91)	-	-	(25.46)
As at 31 March 2023	111.44	44.71	53.96	367.78	174.22	284.37	57.42	1,093.90
Charge for the year	38.73	9.83	8.18	75.64	88.10	33.57	22.42	276.47
Disposals	(12.84)	(0.38)	(0.51)	(0.61)	(51.19)	(1.23)	-	(66.76)
As at 31 March 2024	137.33	54.16	61.63	442.81	211.13	316.71	79.84	1,303.61
Net book value								
As at 31 March 2024	193.75	21.81	16.16	210.46	461.38	99.40	33.96	1,036.92
As at 31 March 2023	229.82	22.33	24.32	155.61	316.49	86.01	32.48	867.06

Property, plant and equipment pledged as security
Details of PPE pledged are as per note 13.

Capitalised borrowing cost
No borrowing costs are capitalised during the year ended 31 March 2024 (31 March 2023: Nil).

Capital work in progress (CWIP)
As at 31 March 2024

	1 April 2023	Additions during the year	Capitalised during the year	31 March 2024
Projects in progress	-	23.90	(23.90)	-
Total	-	23.90	(23.90)	-

As at 31 March 2023

	1 April 2022	Additions during the year	Capitalised during the year	31 March 2023
Projects in progress	-	21.08	(21.08)	-
Total	-	21.08	(21.08)	-

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the year ended 31 March 2024 and 31 March 2023.

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5 Intangible assets

	Computer software	Total
Cost		
As at 1 April 2022	301.16	**301.16**
Additions	112.88	**112.88**
As at 31 March 2023	**414.04**	**414.04**
Additions	161.50	**161.50**
As at 31 March 2024	**575.54**	**575.54**
Depreciation		
As at 1 April 2022	208.52	**208.52**
Charge for the year	51.40	**51.40**
As at 31 March 2023	**259.92**	**259.92**
Charge for the year	83.77	**83.77**
As at 31 March 2024	**343.69**	**343.69**
Net book value		
As at 31 March 2024	**231.85**	**231.85**
As at 31 March 2023	**154.12**	**154.12**

Details of Intangible assets pledged are as per note 13.

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6 Investments

	As at 31 March 2024	As at 31 March 2023
Non-current		
Unquoted investments		
i) Investment in equity shares of subsidiaries carried at cost:		
Mistral Solutions Inc., USA 1,000 equity shares (31 March 2023: 1,000) of no par value	307.42	307.42
Aero Electronics Private Limited ^ Nil equity shares (31 March 2023: 70,688) of Rs. 5 each, fully paid up	-	451.11
Mistral Technologies Private Limited 20,000 equity shares (31 March 2023: 20,000) of Rs. 5 each, fully paid up	1.00	1.00
	308.42	759.53
ii) Investment in equity shares of associate carried at cost:		
Aero Electronics Private Limited ^ 70,688 equity shares (31 March 2023: Nil) of Rs.5 each, fully paid up	451.11	-
	451.11	-
Total investment carried at cost	759.53	759.53
iii) Investments at fair value through FVTPL		
Investment in real estate fund	162.63	200.86
Total FVTPL investments	162.63	200.86
Total non-current investments	922.16	960.39
Current		
Quoted investments		
iv) Investments at fair value through FVTPL		
Investment in mutual funds	2,783.94	2,453.21
Total FVTPL investments	2,783.94	2,453.21
Total current investments	2,783.94	2,453.21
Aggregate value of investments	3,706.10	3,413.60
Aggregate value of unquoted investments	922.16	960.39
Aggregate book value of quoted investments	2,783.94	2,453.21
Aggregate market value of quoted investments	2,783.94	2,453.21
Aggregate provision for impairment in value of investments	-	-

Refer note 13 for details of investments pledged as security.

^ As per the Shareholders' Agreement and Share Subscription Agreement ("Share Agreements") between the Company, Aero Electronics Private Limited ("Aero Electronics"), a subsidiary of the Company and third-party Investor ("Investor"), it is agreed between the parties to issue 67,900 Equity Shares and 89,486 Cumulative Convertible Preference Shares of Aero Electronics to the Investor for a purchase consideration aggregating Rs. 1,397.59 lakhs and the Investor is entitled to appoint and remove the majority of directors on the Board of Directors of Aero Electronics. Accordingly, the Company has lost control over Aero Electronics but continues to exercise significant influence over Aero Electronics and hence accounts for the investments in Aero Electronics as an associate with effect from 04 September 2023.

7 Loans

	As at 31 March 2024	As at 31 March 2023
Non-current		
(carried at amortised cost)		
Unsecured, considered good:		
Inter-corporate deposit to related party (refer note 35)	3,200.00	-
	3,200.00	-

Disclosure required under Sec 186(4) of the Companies Act 2013
Included in loans are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013

Name of the loance	Rate of interest	Due date	Secured/ unsecured	As at 31 March 2024	As at 31 March 2023
AXISCADES Technologies Limited	11.50%	10 May 2026	Unsecured	1,500.00	-
AXISCADES Technologies Limited	11.50%	03 Dec 2026	Unsecured	1,700.00	-
				3,200.00	-

(i) The loan has been utilized for meeting their working capital requirements/corporate restructuring.
(ii) Loans are non-derivative financial assets which generate a fixed interest income for the Company and are measured at amortised cost. The carrying value may be affected by changes in the credit risk of the counterparties.

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8 Other financial assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
(carried at amortised cost)		
Unsecured, considered good		
Security deposits	179.81	221.03
Margin Money deposit with banks	375.54	-
Interest accrued but not due from related parties (refer note 35)	181.99	-
	737.34	221.03
Current		
(carried at amortised cost)		
Unsecured, considered good		
Security deposits	51.96	-
Margin Money deposit with banks	382.60	-
Earnest money deposit	2.68	4.00
Interest accrued but not due on margin money deposit	31.29	32.01
Unbilled revenue*	140.72	20.94
Earnest money deposit	-	-
Other receivables from related parties (refer note 35)	-	600.00
Liquidated damages recoverable from customers	153.69	-
Others	14.89	34.40
	777.83	691.35

* Includes Rs. 133.76 lakhs (31 March 2023: Rs. 14.30 lakhs) from related party (refer note 35)

Refer note 13 for details of other financial assets pledged as security.

	As at 31 March 2024	As at 31 March 2023
Break up of financial assets carried at amortised cost		
Loans (Non-current) (refer note 7)	3,200.00	-
Trade receivables (Current) (refer note 12)	6,996.15	5,327.10
Cash and cash equivalent (refer note 13)	1,199.17	1,222.68
Bank balances other than cash and cash equivalent (refer note 14)	597.63	1,446.63
Other financial assets (Current and Non-current) (refer note 8)	1,515.17	912.38
	13,508.12	8,908.79

9 Non-current tax asset, net

	As at 31 March 2024	As at 31 March 2023
Advance income tax	181.76	182.43
	181.76	182.43

10 Other assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Prepaid expenses	1.20	6.03
	1.20	6.03
Current		
Unsecured, considered good		
Duties and taxes recoverable	269.18	1,027.28
Export incentive receivable	72.79	72.79
Prepaid expenses	197.28	197.23
Advance to suppliers	779.63	348.00
Advance to employees	3.50	6.36
Contract assets	3,200.75	4,076.00
Deferred rent	0.67	0.96
Other advances	-	19.15
	4,523.80	5,747.77

Refer note 13 for details of other assets pledged as security.

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11 Inventories (at the lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw material and components [In transit of Rs.77.07 lakhs (31 March 2023: Rs.112.44 lakhs)]	4,999.45	4,496.11
Work in progress	1,080.88	818.08
Finished goods	351.41	624.00
Stock-in-trade [In transit of Rs. 39.09 lakhs (31 March 2023: Rs. 28.96 lakhs)]	100.62	147.77
	6,532.36	6,085.96

Value of inventories above is stated after provisions for obsolescence/slow moving of Rs. 1,193.65 lakhs (31 March 2023: Rs. 909.12 lakhs).
Refer note 13 for details of inventories pledged as security.

12 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Current		
Trade receivables from other parties	6,644.20	5,361.84
Trade receivables from related parties (refer note 35)	411.24	21.48
Total trade receivables	7,055.44	5,383.32
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	6,996.15	5,327.10
Trade receivables, which have significant increase in credit risk	46.85	56.22
Trade receivables - credit impaired	12.44	-
	7,055.44	5,383.32
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables, which have significant increase in credit risk	(46.85)	(56.22)
Trade receivables - credit impaired	(12.44)	-
Total trade receivables	6,996.15	5,327.10

Trade receivables ageing schedule
As at 31 March 2024

	Unbilled (Included in note 8)	Current but not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	140.72	3,405.56	3,547.51	35.75	7.33	-	-	6,996.15
Undisputed trade receivables – which have significant increase in credit risk	-	2.83	4.68	1.05	38.29	-	-	46.85
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	12.44	12.44
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	140.72	3,408.39	3,552.19	36.80	45.62	-	12.44	7,055.44

As at 31 March 2023

	Unbilled (Included in note 8)	Current but not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	20.94	2,092.29	3,135.15	96.57	3.09	-	-	5,327.10
Undisputed trade receivables – which have significant increase in credit risk	-	0.12	22.64	0.16	10.86	22.44	-	56.22
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	20.94	2,092.41	3,157.79	96.73	13.95	22.44	-	5,383.32

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer note 35.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

	As at 31 March 2024	As at 31 March 2023
Set out below is the movement in the allowance for expected credit losses of trade receivables:		
As at 1 April	56.22	40.43
Provision for expected credit losses	3.07	15.79
As at 31 March	59.29	56.22

Refer note 13 for details of trade receivables pledged as security.

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13 Cash and cash equivalent

	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- On current accounts *	1,194.77	1,222.38
- On Escrow account^	4.14	-
Cash on hand	0.26	0.30
	1,199.17	1,222.68

* includes debit balance in cash credit of Rs. 962.66 lakhs (31 March 2023: Rs. 836.32 lakhs)

- Total Limits sanctioned (including non working capital) is Rs. 4,930.00 lakhs (31 March 2023: Rs. 4,730.00 lakhs)
- first pari-pasu charge on receivables, current assets and fixed assets of the Company. The quarterly returns or statements filed by the Company against the sanctioned working capital limits with banks are in agreement with the books of accounts.
- Cash credit rate of interest - HDFC Bank Limited "10.4%", Axis Bank Limited "Repo + 3.75%", Kotak Mahindra Bank Limited "Repo + 3.75%"

^ amount received from proceeds of issuance of preference shares during the year which is to be utilised for the purpose for which it is received. Refer note no. 15 c(iii) for details

At 31 March 2024, the Company had available Rs. 676.41 lakhs (31 March 2023: Rs. 963.17 lakhs) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

Balances with banks:		
- On current accounts	1,194.77	1,222.38
- On Escrow account^	4.14	-
Cash on hand	0.26	0.30
	1,199.17	1,222.68

14 Bank balances other than cash and cash equivalent

	As at 31 March 2024	As at 31 March 2023
Margin money deposits (with original maturity of more than 3 months but less than 12 months)	597.63	1,343.20
Bank deposits (with original maturity of more than 3 months but less than 12 months)	-	103.43
	597.63	1,446.63

Refer note 13 for details of bank balances other than cash and cash equivalent pledged as security.

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15 Share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
a Authorized share capital				
Equity shares of Rs. 5 each	60.00	300.00	60.00	300.00
Preference shares of Rs. 5 each	10.00	50.00	10.00	50.00
	70.00	350.00	70.00	350.00

b (i) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

b (ii) Terms/ rights attached to preference shares

(i) Series B preference shares

The Company has 38,000 (31 March 2023: 38,000) Fully Convertible Cumulative Participative Preference Shares (FCCPPS) of Rs. 5 each at a premium of Rs. 225 each per share outstanding as at the end of the year.

Each Series B preference share has a par value of Rs. 5 and is convertible upon the first occurrence of: (a) the majority investors consenting to such conversion; (b) the closing of an underwritten public offering of the Company's equity shares at a minimum valuation specified in the Shareholders Agreement dated 7 January 2008 ('the Series B Agreement'); or (c) on 30 June 2027. The preference shares carry a dividend of 0.01% per annum. The dividend rights are cumulative. In addition, FCCPS are entitled to participate in the distribution of the profits of the Company to the other shareholders of the Company as per the Agreement.

In the event of any liquidation event (defined in the Series B Agreement), to the extent Series B preference shares are not converted into equity shares, the holders of Series B preference shares shall have a preference over the other shareholders of the Company (including the founders and the other shareholders and any remaining equity shareholders, including the investors' equity shares) for return of capital as set out in the Series B Agreement.

(ii) Series C preference shares

The Company has issued 414,039 Convertible Cumulative Participative Preference Shares (CCPS) of Rs. 5 each at a premium of Rs. 964.11 per share (partly paid-up of Rs. 1 each aggregating Rs. 4.14 lakhs) to Grand Anicut 2 as per the Shareholders Agreement dated 22 July 2023 and amended Shareholders Agreement dated 29 September 2023 (collectively 'the Series C Agreements'). As per the amended Shareholders Agreement dated 29 September 2023, the unpaid monies for the Series C preference shares shall be called by the Board of the Company, at its sole discretion and further it is agreed that the Company shall not as an obligation but only on best endeavour basis provide exit to the investor upon receipt of request from the investor.

Each Series C preference share has a par value of Rs. 5 and is convertible at the option of the shareholders into Equity shares of the Company on receipt of final investment amount as specified in the Series C Agreements in the ratio of one equity share for each Series C preference share held. In the event the conversion option is not exercised by the shareholders, preference shares will be automatically converted into one equity share for every one Series C preference share held upon the first occurrence of: (a) Liquidity event in the Company as specified in the Series C Agreements; (b) one day prior to the expiry of five years from the date of receipt of final investment amount. The preference shares carry a dividend of 0.01% per annum. The dividend rights are cumulative. In addition, Series C preference shares are entitled to participate pari-passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on an as-if converted basis. Till such time that the Series C preference shares remain partly paid, the dividend payable shall be apportioned and paid proportionately to the amounts paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

Subject to the Subscription Shares being fully paid up, in the event of occurence of a liquidation event (other than a liquidity event defined in the Series C Agreements), the investor shall be entitled to receive, in preference to the Promoter, the higher of: (i) an amount equal to one time of the investment amount plus any accrued and unpaid dividends; or (ii) any amounts to be distributed on a pro-rata basis amongst all shareholders. In the event the proceeds from liquidation are inadequate to pay the amounts in full to the Series C preference share holders, the entire proceeds from liquidation shall be granted to the Series C preference share holders. It is clarified that the Series C preference share holders shall be entitled to the preference on and from the date on which the subscription shares are fully paid up.

c (i) Issued equity capital

Equity shares of Rs. 5 each issued, subscribed and fully paid	Number of shares (in lakhs)	Amount
As at 1 April 2022	38.05	190.27
Changes during the year*	2.63	13.12
As at 31 March 2023	40.68	203.39
Changes during the year	-	-
As at 31 March 2024	40.68	203.39

* During the year ended 31 March 2023, the Company allotted 262,500 equity shares of Rs. 5 each aggregating Rs. 13.12 lakhs, consequent to the exercise of stock options by employees of the Company under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010".

c (ii) Series B issued convertible preference shares of Rs. 5 each issued and fully paid

Series B mandatorily convertible cumulative participative preference shares of Rs. 5 each issued, subscribed and fully paid	Number of shares (in lakhs)	Amount
As at 1 April 2022	0.38	1.90
Changes during the year	-	-
As at 31 March 2023	0.38	1.90
Changes during the year	-	-
As at 31 March 2024	0.38	1.90

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15 Share capital (continued)

c (iii) Series C issued convertible preference shares of Rs. 5 each issued and partly paid

Series C mandatorily convertible cumulative participative preference shares of Rs. 5 each issued, subscribed and partly paid (partly paid-up, Rs. 1 each paid-up)	Number of shares (in lakhs)	Amount
As at 1 April 2022	-	-
Changes during the year	-	-
As at 31 March 2023	-	-
Changes during the year	4.14	4.14
As at 31 March 2024	4.14	4.14

d Shares held by holding company and its subsidiary

	As at 31 March 2024		As at 31 March 2023	
Out of equity and preference shares issued by the Company, shares held by its holding company and its subsidiary are as below:	Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
Axiscades Technologies Limited, a Holding Company				
-Equity shares	23.64	118.21	23.56	117.81
- Series B preference shares	0.38	1.90	0.38	1.90
Explosoft Tech Solutions Private Limited, a fellow subsidiary - Equity shares	16.79	83.97	16.79	83.97

e Details of shareholders holding more than 5% shares:

	As at 31 March 2024		As at 31 March 2023	
Name of the Shareholder	Number of shares (in lakhs)	% holding in the class	Number of shares (in lakhs)	% holding in the class
Equity shares of Rs. 5 each, par value				
Axiscades Technologies Limited, a Holding Company	23.64	58.12%	23.56	57.92%
Explosoft Tech Solutions Private Limited, a fellow subsidiary	16.79	41.28%	16.79	41.28%
Series B fully convertible cumulative participative preference of Rs. 5 each, par value				
Axiscades Technologies Limited, a Holding Company	0.38	100.00%	0.38	100.00%
Series C mandatorily convertible cumulative participative preference of Rs. 5 each, par value				
Grand Anicut Fund 2	4.14	100.00%	-	0.00%

f The Company has not issued any bonus shares or bought back any shares during the period of five years immediately preceding the reporting date.

g The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date.

h Shares reserved for issue under options

For details of shares reserved for issue under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010", please refer note 38.

For details of shares reserved for issue on conversion of convertible preference shares, refer note b(ii) "Terms/ rights attached to preference shares" above.

i Details of shares held by promoters

As at 31 March 2024 — Number of shares are in lakhs

Promoter Name	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total Shares	% change during the year
Equity shares of Rs. 5 each, par value					
Axiscades Technologies Limited	23.56	0.08	23.64	58.12%	0.34%
Explosoft Tech Solutions Private Limited	16.79	-	16.79	41.28%	0.00%
Series B mandatorily convertible cumulative participative preference of Rs. 5 each, par value					
Axiscades Technologies Limited	0.38	-	0.38	100.00%	0.00%

As at 31 March 2023 — Number of shares are in lakhs

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total Shares	% change during the year
Equity shares of Rs. 5 each, par value					
Axiscades Technologies Limited	16.33	7.23	23.56	57.92%	44.31%
Explosoft Tech Solutions Private Limited	16.79	-	16.79	41.28%	0.00%
Anees Ahmed	2.95	(2.95)	-	0.00%	-100.00%
Series B mandatorily convertible cumulative participative preference of ₹ 5 each, par value					
Axiscades Technologies Limited	-	0.38	0.38	100.00%	100.00%
Anees Ahmed	0.25	(0.25)	-	0.00%	-100.00%
Rajeev Ramachandra	0.13	(0.13)	-	0.00%	-100.00%

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16 Other equity

	As at 31 March 2024	As at 31 March 2023
Securities premium	1,193.70	1,193.70
Equity contribution by preference and equity share holders on relinquishment of rights	941.65	941.65
Capital redemption reserve	45.73	45.73
Capital reserve	1,414.44	1,414.44
General reserve	55.30	55.30
Retained earnings	17,200.94	12,709.10
	20,851.76	16,359.92

Refer Standalone Statement of Changes in Equity, for movement in other equity

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Equity contribution by preference and equity share holders on relinquishment of rights

Represents the liability foregone by certain equity and preference share holders on relinquishment of buyback rights.

Capital redemption reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Capital reserve

Represents payment made by the AXISCADES Technologies Limited, a Holding company, for cancellation of options which were granted but not vested and options promised but not granted under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010".

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through transfer of net income for the purpose of issuance of bonus shares.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/ (gain) on defined benefit plans, net of taxes that will not be reclassified to the Standalone Statement of Profit and Loss.

17 Provisions

	As at 31 March 2024	As at 31 March 2023
Non-current		
Employee defined benefits liability		
- Provision for compensated absences	145.69	126.63
	145.69	126.63
Current		
Employee defined benefits liability		
- Provision for gratuity (refer note 36)	99.10	76.39
- Provision for compensated absences	27.35	23.11
Provision for foreseeable loss on contracts*	22.97	22.97
Provision for warranty**	171.38	125.44
Provision for liquidated damages***	748.07	774.01
	1,068.87	1,021.92

* The provision is created to provide for expected losses in the project based on the expected cost overruns. These provisions are expected to be utilized over a period of one year.

** Provision for warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods. These provisions are expected to be utilized over the period of warranty.

*** Provision for liquidated damages relates to estimated outflow in respect of products sold by the Company and estimated to be incurred due to delay in delivery of products to customers. These provisions are expected to be utilized over a period of one year.

The disclosure of provisions movement as required under the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:

	Provision for foreseeable losses on contracts	Provision for warranty	Provision for liquidated damages
As at 1 April 2022	3.59	74.65	629.08
Provisions made during the year	21.33	171.19	870.91
Reversal made during the year	-	-	(516.84)
Utilizations during the year	(1.95)	(120.40)	(209.14)
As at 31 March 2023	**22.97**	**125.44**	**774.01**
Provisions made during the year	10.50	182.70	1,507.32
Reversal made during the year	-	-	(1,420.84)
Utilizations during the year	(10.50)	(136.76)	(112.42)
As at 31 March 2024	**22.97**	**171.38**	**748.07**

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18 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 18A below)	77.72	135.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,306.19	2,323.20
Accrued expenses	287.03	141.03
	2,670.94	2,600.07
Trade payables to other parties	1,818.03	2,274.15
Trade payables to related parties (refer note 35)	852.91	325.92
	2,670.94	2,600.07

Trade payables ageing schedule

As at 31 March 2024

	Accrued expenses	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues of micro enterprises and small enterprises	0.20	65.73	11.79	-	-	-	77.72
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	286.83	2,155.04	150.14	-	1.21	-	2,593.22
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	287.03	2,220.77	161.93	-	1.21	-	2,670.94

As at 31 March 2023

	Accrued expenses	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues of micro enterprises and small enterprises	-	38.57	95.18	-	0.09	2.00	135.84
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	141.03	1,586.53	651.17	85.50			2,464.23
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	141.03	1,625.10	746.35	85.50	0.09	2.00	2,600.07

Trade payables are non-interest bearing and are normally settled in 0-60 day terms

For terms and conditions with related parties, refer note 35.

18A Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	77.72	135.84
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of the payments made to micro and small enterprises beyond the appointed day during each accounting year	46.47	64.84

Notes:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 and 31 March 2023 has been made in the financial statements based on information received and available with the Company.

The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

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19 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
(carried at amortised cost)		
Dues to employees	624.84	491.50
Other payables	86.93	9.66
(carried at FVTPL)		
Option premium on fair valuation of derivative (refer note 39)	-	565.18
	711.77	1,066.34

Breakup of financial liabilities carried at amortised cost	As at 31 March 2024	As at 31 March 2023
Trade payables (Current) (refer note 18)	2,670.94	2,600.07
Lease liabilties (Non-current and current) (refer note 31)	1,404.20	467.21
Other financial liabilities (Current) (refer note 19)	711.77	501.16
	4,786.91	3,568.44

20 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Statutory liabilities	491.86	285.46
Contract liabilities		
- Advance from customers	2,033.40	2,575.65
- Unearned revenue	1,117.23	925.75
	3,642.49	3,786.86

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21 Revenue from contracts with customers

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	31,200.54	26,338.27
Other operating revenue	272.56	673.73
Total revenue from contracts with customers	**31,473.10**	**27,012.00**

A. Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by type, geography and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Type of goods or service

	Year ended 31 March 2024	Year ended 31 March 2023
Product sales		
Sale of products	19,102.22	12,927.34
System engineering and traded sales	3,152.69	4,318.52
Sale of services		
Professional engineering services	8,945.63	9,092.41
Other operating revenue		
Other operating income *	272.56	673.73
	31,473.10	27,012.00

* Input availed on import of FOC materials shipped by cutomers and duty paid by them

Primary Geographical Markets

Geography	Year ended 31 March 2024	Year ended 31 March 2023
India	17,902.24	13,419.18
Outside India	13,298.30	12,919.09
	31,200.54	26,338.27

Timing of revenue recognition

	Year ended 31 March 2024	Year ended 31 March 2023
Goods or services transferred at point in time	22,074.74	16,944.25
Goods or services transferred over time	9,125.80	9,394.02
	31,200.54	26,338.27

Note : The amount of Rs. 272.56 lakhs (31 March 2023: Rs. 673.73 lakhs) pertaining to other operating revenue has not been considered in the above revenue disclosure.

B. Contract balances

	As at 31 March 2024	As at 31 March 2023
Trade receivables	7,055.44	5,383.32
Contract assets	3,341.47	4,096.94
Contract liabilities	3,150.63	3,501.40

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 31 March 2024, Rs. 3.07 lakhs (31 March 2023: Rs. 15.79 lakhs) was recognised as provision for expected credit losses on trade receivables. As at 31 March 2024, the Company has provision for expected credit losses of trade receivables of Rs. 59.29 lakhs (31 March 2023: Rs. 56.22 lakhs).

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Contract assets mainly relates to revenue earned from professional engineering services. As such, the balances of this account vary and depend on the quantum of engineering services at the end of the year. Retention money receivable from customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

Contract liabilities include short-term advances received for sale of products and to render engineering services in the future as well as transaction price allocated to performance obligations not yet completed.

In case of long - term contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied. Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables. There is no significant financing component for those contracts where the customer pay in advance as per the terms of the contract.

C. Performance obligation

Information about the Company's performance obligations are summarised below:

Professional engineering services

The performance obligation is satisfied over-time and payment is generally due within 30 to 90 days from the date when the related services are rendered.

Sale of products and System engineering and traded sales

The performance obligation is mainly satisfied upon transfer of control of the promised goods and payment is generally due within 30 to 90 days from delivery.

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21 Revenue from contracts with customers (continued)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Within one year	5,134.58	5,881.12
More than one year	45.00	-
	5,179.58	5,881.12

D. Changes in unbilled revenue or contract assets are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	4,096.94	3,595.38
Additions during the year	9,490.46	9,934.26
Reclassification adjustments:		
- Billing from opening balance of contract assets to trade receivables	(2,830.28)	(1,377.58)
- Billing from contract assets transferred to trade receivables	(7,415.65)	(8,055.12)
Closing balance	3,341.47	4,096.94

E. Changes in deferred revenue or contract liabilities are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	3,501.40	2,353.81
Additions during the year	339.70	1,448.14
Reclassification Adjustments:		
- Transfer of opening balances of contract liabilities to revenue	(690.47)	(300.55)
Closing balance	3,150.63	3,501.40

F. Reconciliation of revenue from contracts with customers

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customers as per the contract price	31,373.95	26,692.34
Adjustments made to contract price on account of :-		
a) Liquidated damages	(86.48)	(354.07)
b) Interest charged by customer on advances given	(86.93)	-
Revenue from contracts with customers as per the Statement of Profit and Loss	31,200.54	26,338.27

22 Other income

Interest Income		
- from fixed deposit	85.79	99.27
- from financials assets carried at amortised cost	15.68	15.40
- from intercompany desposits to related parties	221.87	3.96
- from others	16.74	20.18
Net gain on financial asset measured at fair value through profit and loss	96.51	47.34
Income from support services	124.33	49.99
Provision no longer required, written back	2.12	-
Exchange differences (net)	-	7.94
Miscellaneous income	2.22	0.45
	565.26	244.53

23 Cost of raw material and components consumed

Inventory at the beginning of the year	4,496.11	3,273.96
Add: Purchases	13,606.15	11,240.80
	18,102.26	14,514.76
Less: Inventory at the end of the year	(4,999.45)	(4,496.11)
	13,102.81	10,018.65

24 Changes in inventories of finished goods, work-in-progress and traded goods

Opening balance		
Work-in-progress	818.08	793.51
Finished Goods	624.00	417.63
Traded goods	147.77	174.71
	1,589.85	1,385.85
Closing balance		
Work-in-progress	1,080.88	818.08
Finished Goods	351.41	624.00
Traded goods	100.62	147.77
	1,532.91	1,589.85
(Increase)/ decrease in inventory		
Work-in-progress	(262.80)	(24.57)
Finished Goods	272.59	(206.37)
Traded goods	47.15	26.94
	56.94	(204.00)

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25 Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	7,994.68	7,219.76
Contribution to provident and other funds	402.25	335.05
Gratuity expense (refer note 36)	80.47	74.92
Leave compensation/ compensated absences	23.30	8.38
Share based payments to employees	-	403.14
Staff welfare expenses	153.45	205.84
	8,654.15	8,247.09

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the code came into effect on 3 May 2023. However, the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

26 Finance costs

Interest expense on financial liability measured at amortised cost	0.06	1.43
Interest on lease liabilities	81.74	70.37
Interest on customer advance	15.88	-
Others	-	6.49
	97.68	78.29

27 Depreciation and amortisation expense

Depreciation on property plant and equipment (refer note 4)	276.47	256.70
Depreciation on Right-of-use assets (refer note 31)	399.37	370.03
Amortisation of intangible assets (refer note 5)	83.77	51.40
	759.61	678.13

28 Other expenses

Travelling and conveyance	335.75	303.99
Rent (refer note 31)		
- Immovable property	30.84	27.37
- Equipment hire	208.50	242.14
Legal and professional fees	475.55	491.85
Repairs and maintenance		
- Plant and machinery	31.18	48.70
- Others	194.95	180.91
Software subcription charges	173.36	117.62
Power and fuel	88.06	79.19
Bank charges	71.13	43.00
Communication costs	18.11	19.85
Advertising and sales promotion	38.48	51.47
Rates and taxes	22.00	16.00
Sales support service and commission	109.63	118.37
Insurance	24.38	33.74
Advances written off	-	0.40
Provision for warranties, foreseeable losses on contracts and others (net of reversals)	-	19.37
Loss allowance on trade receivables	3.07	15.79
Freight and forwarding charges	36.53	12.27
CSR expenditure (refer note 34)	56.52	53.81
Loss on sale of property, plant and equipment (net)	3.65	2.37
Exchange differences (net)	30.56	-
Miscellaneous expenses	44.07	41.60
	1,996.32	1,919.81

Payment to Auditors

As auditor:		
Audit fee	50.00	25.00
Other services	-	24.50
In other capacity:		
Reimbursement of expenses	-	3.96
	50.00	53.46

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29 Income-tax

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

Standalone statement of profit and loss:

Profit or loss section

	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax:		
Current income tax charge	1,360.11	1,168.76
Deferred tax:		
Attributable to origination and reversal of temporary differences	(8.29)	(31.04)
Income tax expense reported in the statement of profit and loss	1,351.82	1,137.72

OCI section

Deferred tax related to items recognised in OCI during the year:

	Year ended 31 March 2024	Year ended 31 March 2023
Re-measurement losses on defined benefit plans	4.69	0.37
Deferred tax charged to OCI	4.69	0.37

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	5,292.42	3,312.99
At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%)	1,332.00	833.82
Non-deductible expenses for tax purposes:		
Expenditure incurred on cancellation of Employee stock option plan	-	241.55
Others	19.82	62.35
At the effective income tax rate of 25.54% (31 March 2023: 34.34%)	1,351.82	1,137.72
Income tax expense reported in the statement of profit and loss	1,351.82	1,137.72

Deferred tax

Deferred tax relates to the following:	Standalone Balance Sheet		Standalone statement of profit and loss	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Impact of difference between depreciation charged for financial reporting and expenses allowed for tax purposes	50.49	56.65	(6.16)	(3.33)
Lease liabilities	353.44	119.47	233.97	30.01
Right-of-use assets	(351.30)	(110.10)	(241.20)	(36.57)
Non-deductible expenses for tax purpose allowed on payment basis	43.55	37.69	5.86	2.11
Other items	36.83	16.32	20.51	39.19
Net deferred tax assets	133.01	120.03		
Deferred tax income		-	12.98	31.41

Reconciliation of deferred tax asset (net)

	Year ended 31 March 2024	Year ended 31 March 2023
As at 1 April	120.03	88.62
Tax income during the period recognised in profit or loss	8.29	31.04
Tax income during the period recognised in OCI	4.69	0.37
As at 31 March	133.01	120.03

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to the equity shareholders	3,940.60	2,175.27
Less: Dividend on fully convertible cumulative participative preference shares	0.00	0.00
Less: Profit attributable to fully convertible cumulative participative preference shares	89.94	20.49
Profit attributable for basic earnings	3,850.66	2,154.78
Add: Adjustment for the purpose of diluted earnings per share	89.94	20.49
Profit adjusted for the effect of dilution	3,940.60	2,175.27
Weighted average number of equity shares for basic EPS	40,67,870	39,95,647
Effect of dilution:		
Weighted average number of convertible preference shares	95,015	38,000
Weighted average number of equity shares adjusted for the effect of dilution	41,62,885	40,33,647
Earnings per share:		
- Basic	94.66	53.93
- Diluted	94.66	53.93

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

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31 Leases

Company as a lessee

The Company has lease contracts for vehicles and immovable properties used in its operations. Leases of vehicles generally have lease terms between 3 and 5 years, while immovable properties generally have lease terms between 3 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of machinery and testing equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Immovable properties	Vehicles	Total
As at 1 April 2022	556.68	25.97	582.65
Additions	224.79	-	224.79
Depreciation expense	(348.81)	(21.22)	(370.03)
As at 31 March 2023	432.66	4.75	437.41
Additions	1,357.66	-	1,357.66
Depreciation expense	(394.62)	(4.75)	(399.37)
As at 31 March 2024	1,395.70	-	1,395.70

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	31 March 2024	31 March 2023
As at 1 April	467.21	593.89
Additions	1,307.45	216.00
Accretion of interest	81.74	70.37
Payments	(452.20)	(413.05)
As at 31 March	1,404.20	467.21
Current	364.05	297.95
Non-current	1,040.15	169.26

The weighted average incremental borrowing rate for lease liabilities is between 8.40% - 10.40% per annum, with maturities between financial year 2025-2031 for leasehold properties

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31 March 2024	31 March 2023
Less than three months	122.78	102.29
Three to twelve months	362.13	215.55
One to five years	1,183.93	149.26
More than five years	41.14	111.74

The following are the amounts recognised in the statement of profit or loss:

	31 March 2024	31 March 2023
Depreciation expense of right-of-use assets	399.37	370.03
Interest expense on lease liabilities	81.74	70.37
Expense relating to short-term leases (included in other expenses)	239.34	269.51
	720.45	709.91

The Company had total cash outflows for leases of Rs. 691.54 lakhs for the year ended 31 March 2024 (31 March 2023: Rs. 682.56 lakhs). The Company has made non-cash additions of Rs. 1,357.66 lakhs (31 March 2023: Rs 224.79 lakhs) and Rs. 1,307.45 lakhs (31 March 2023: Rs. 216.00 lakhs) to right-of-use assets and lease liabilities, respectively. There are no future cash outflows relating to leases that have not yet commenced.

32 Contingent liabilities and commitments

32.1

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debt:		
Income tax matters (see Note (i) below)	337.62	210.06
Other legal matters (see Note (ii) below)	79.81	79.81
Financial guarantees		
Bank Guarantees	4,243.99	3,762.61
	4,661.42	4,052.48

Notes:

(i) In respect of tax matters, the Company is contesting the tax litigations in respect of various years from FY 2008-09 to FY 2021-22 for several disallowances made by the tax authorities. The Management, including its tax advisors, belives that it's position will likely to be upheld at various forums where the matters are pending. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) The Company had received a frivolous claim and based on the advise of its legal counsel, the Company is of the view that the outcome of these proceedings will not have a materially adverse effect on its financial position and accordingly, no provision is recognised in the financial statements.

(iii) During the year, the Company is one of the corporate guarantor and has issued a corporate guarantee to Vistara ITCL (India) Limited ("Debenture Trustee") on behalf of the Holding Company, AXISCADES Technologies Limited, amounting to Rs. 21,000 lakhs (31 March 2023: Nil).

32.2 There are no capital and other commitments during the year ended 31 March 2024 and 31 March 2023.

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33 i) Details of non-current investments purchased and sold:

a) Non-current investments purchased and sold during the current year

	As at 1 April 2023	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2024
Investments in real estate fund	200.86	-	(16.96)	(21.27)	-	162.63

b) Non-current investments purchased and sold during the previous year **(Rs. in Lakhs)**

	As at 1 April 2022	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2023
Investments in real estate fund	203.92	-	(6.55)	3.49	-	200.86

ii) Details of Current investments purchased and sold:

a) Current investments purchased and sold during the current year

	As at 1 April 2023	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2024
Investments in mutual fund	2,453.21	10,865.00	(10,652.05)	117.78	-	2,783.94

b) Current investments purchased and sold during the previous year

	As at 1 April 2022	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2023
Investments in mutual fund	309.34	8,200.00	(6,089.16)	33.03	-	2,453.21
Investments in other fund	500.35	-	(511.17)	10.82		-

34 Details of CSR expenditure

		31 March 2024	31 March 2023
Gross amount required to be spent by the Company during the year		57.66	46.62
Amount approved by the Board to be spent during the year		57.70	47.43
Amount spent during the year ending on 31 March 2024:	In Cash	Yet to be paid in cash	Total
(i) Construction or acquisition of any asset	-	-	-
(ii) On purposes other than (i) above (refer note 1 below)	57.66	-	57.66
Amount spent during the year ending on 31 March 2023:	In Cash	Yet to be paid in cash	Total
(i) Construction or acquisition of any asset	-	-	-
(ii) On purposes other than (i) above (refer note 2 below)	47.43	-	47.43
Details of related party transactions		-	-
Details related to spent / unspent obligations:		31 March 2024	31 March 2023
(i) Contribution to Charitable Trust		29.00	26.43
(ii) Contribution to other		28.66	21.00
(iii) Unspent amount in relation to:			
Ongoing project		-	-
Other than ongoing project		-	-

CSR expenditure has been incurred for promoting industrial consultancy and sponsored research, health & poverty.

Details of ongoing project and other than ongoing project for the year ended 31 March 2024

In case of S. 135(6) (Ongoing Project)

Opening Balance as at 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2024	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

In case of S. 135(5) (Other than ongoing project)

Opening Balance as at 1 April 2023	Amount deposited in Specified Fund of Sch. VII	Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2024	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	57.66	57.66	-	-	-

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34 Details of CSR expenditure (continued)

Details of ongoing project and other than ongoing project for the year ended 31 March 2023

In case of S. 135(6) (Ongoing Project)						
Opening Balance as at 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2024	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR	With Company	In Separate CSR Unspent A/c
-	-	8.71	-	8.71	-	-

In case of S. 135(5) (Other than ongoing project)						
Opening Balance as at 1 April 2023	Amount deposited in Specified Fund of Sch. VII	Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2024	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	46.62	47.43	-	-	-

Notes:
1 It includes Rs. 0.81 lakhs excess spent in previous year ended 31 March 2023.
2 It excludes Rs. 8.71 lakhs related to and not spent in the year ended 31 March 2022 but have spent in the year ended 31 March 2023.
3 Overhead expense of Rs. 2.83 lakhs (31 March 2023 Rs. 2.33 lakhs) incurred towards CSR activities is included in note no 25.

35 Related party disclosures

	Nature of relationship	Name of party
1.	Ultimate holding company	Jupiter Capital Private Limited
	Holding Company	AXISCADES Technologies Limited
	Fellow subsidiary	AXISCADES Aerospace & Technologies Private Limited
		Explosoft Tech Solutions Private Limited
		AXISCADES UK Limited
		Cades Studec Technologies (India) Private Limited
	Subsidiary companies	Mistral Solutions, Inc., USA
		Mistral Technologies Private Limited
		Aero Electronics Private Limited*
	Associate company	Aero Electronics Private Limited*

*Subsidiary till 3 September 2023 and associate thereafter

2. **Name of other related parties as per Ind AS 24 with whom transactions have taken place during the year:**

Managing Director	Anees Ahmed (till 22 December 2022)
Director	Rajeev Ramachandra (stepped down w.e.f. 22 December 2022 and reappointed on 2 February 2023)
Chief Executive Officer and Director	Mujahid Alam (stepped down w.e.f. 22 December 2022 and reappointed on 2 February 2023)
Director	Arun Krishnamurthy (appointed w.e.f. 15 December 2023)
Director	Shashidhar SK (appointed w.e.f. 1 December 2022)
Director	Srinivas A (till 30 November 2022)
Director	Sharadhi Chandra Babu Pampapathy
Director	Ashok Radhakrishna Kamath (till 4 June 2022)
Independent Director	Anuradha (appointed w.e.f. 3 June 2022)
Independent Director	Mariam Mathew
Chief Financial Officer	Anoop Agarwal

3. **Transactions with related parties:**

Nature of transactions	Relationship	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations			
Sale of products			
Mistral Solutions Inc., USA	Subsidiary	441.37	275.23
System engineering and traded sales			
Mistral Solutions Inc., USA	Subsidiary	29.36	-
Professional Engineering Services			
AXISCADES Technologies Limited	Holding Company	19.32	-
AXISCADES UK Limited	Fellow subsidiary	382.66	25.17
Mistral Solutions Inc., USA	Subsidiary	55.64	-

35 Related party disclosures (continued)

Nature of transactions	Relationship	Year ended 31 March 2024	Year ended 31 March 2023
Other Income			
Income from support services			
Mistral Solutions Inc., USA	Subsidiary	124.33	49.99
Interest Income			
AXISCADES Technologies Limited	Holding Company	221.87	-
Aero Electronics Private Limited	Subsidiary	-	3.96
Expenses incurred on behalf of			
Mistral Solutions Inc., USA	Subsidiary	3.74	7.48
AXISCADES Technologies Limited	Holding Company	112.02	600.00
Explosoft Tech Solutions Private Limited	Fellow subsidiary	-	0.25
Purchase of goods/ services			
Mistral Solutions Inc., USA	Subsidiary	3,769.07	589.24
Cades Studec Technologies (India) Private Limited	Fellow subsidiary	6.46	-
Sales of support service and commission			
Mistral Solutions Inc., USA	Subsidiary	109.63	113.88
Services received from			
Mistral Technologies Private Limited	Subsidiary	127.50	128.22
Reimbursement of expenses by			
Mistral Solutions Inc., USA	Subsidiary	-	12.63
Advertising and sales promotion			
AXISCADES Technologies Limited	Holding Company	-	20.62
Insurance expenses			
AXISCADES Technologies Limited	Holding Company	-	11.37
Cancellation & settlement of ESOPs			
AXISCADES Technologies Limited	Holding Company	-	1,414.44
Option premium on fair valuation of derivative (refer note 39)			
AXISCADES Technologies Limited	Holding Company	(565.18)	565.18
Intercorporate deposits given to			
Aero Electronics Private Limited	Subsidiary	-	20.08
Aero Electronics Private Limited (interest thereon)	Subsidiary	-	3.96
AXISCADES Technologies Limited	Holding Company	3,200.00	-
Intercorporate deposits repaid by			
Aero Electronics Private Limited	Subsidiary	-	450.91
Investments			
Aero Electronics Private Limited	Subsidiary	-	450.11
Key management personnel compensation			
Short-term employee benefits	Key Management Personnel	557.84	973.09
Post-employment defined benefit*	Key Management Personnel	23.12	22.48

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35 Related party disclosures (continued)

4. **Balances as at the year end:**

		31 March 2024	31 March 2023
Trade receivables			
Mistral Solutions Inc., USA	Subsidiary	127.50	-
AXISCADES UK Limited	Fellow subsidiary	283.74	21.48
Trade Payables			
Mistral Solutions Inc., USA	Subsidiary	841.11	325.92
Mistral Technologies Private Limited	Subsidiary	10.56	-
Cades Studec Technologies (India) Private Limited	Fellow subsidiary	1.24	-
Unbilled revenue			
Mistral Solutions Inc., USA	Subsidiary	133.76	14.30
Recoverable for reimbursement of expenses			
AXISCADES Technologies Limited	Holding Company	-	600.00
Remuneration payable	Key Management Personnel	116.92	51.41

Loans to related parties

31 March 2024

Particulars	Opening balance	Loans given	Received	Loan outstanding	terest receivable
AXISCADES Technologies Limited	-	3,200.00	-	3,200.00	181.99

31 March 2023

Particulars	Opening balance	Loans given	Received	Loan outstanding	terest receivable
Aero Electronics Private Limited	426.87	24.04	(450.91)	-	-

*Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of acturial valuation for the Company as a whole and hence invidual cannot be determined.

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan to Holding Company

The loan granted to AXISCADES Technologies Limited is intended for the purpose of meeting their working capital/corporate restucturing. The loan is unsecured and repayable in full in three years. Interest is charged at 11.5%. The loan has been utilized for the purpose it was granted.

Corporate Guarantee to Holding Company

During the year, the Company is one of the corporate guarnator and has issued a corporate guarantee to Vistara ITCL (India) Limited ("Debenture Trustee") on behalf of the Holding Company, AXISCADES Technologies Limited, amounting to Rs. 21,000 lakhs (31 March 2023: Nil).

36 **Employee benefits**

(a) **Defined benefit contributions**

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ended 31 March 2024: Rs. 402.25 lakhs (31 March 2023: Rs. 335.05 lakhs).

(b) **Defined benefit plans**

The Company has provided for gratuity, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of Defined Benefit Obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the trustees.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a **Interest rate risk**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

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36 **Employee benefits (continued)**

b **Liquidity risk**

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c **Salary escalation risk**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d **Demographic risk**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e **Regulatory risk**

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

		Gratuity	
	Changes in the present value of the defined benefit obligation are as follows		
(i)	Reconciliation of present value of defined benefit obligation:	**As at 31 March 2024**	**As at 31 March 2023**
	Defined benefit obligation at the beginning of the year	749.94	735.25
	Current service cost	76.46	68.96
	Interest cost	53.63	49.13
	Benefits paid	(30.35)	(86.74)
	Actuarial gain arising from change in financial assumptions	19.18	(32.67)
	Actuarial loss arising from change in demographic assumptions	-	-
	Actuarial loss arising from experience adjustments	23.07	16.02
	Defined benefit obligation at the end of the year	891.93	749.94
(ii)	Reconciliation of fair value of plan assets:		
	Plan assets as at 1 April	673.55	627.00
	Expected return on plan assets	49.62	43.17
	Return on plan assets (excluding amounts included in net interest expense)	23.62	(18.12)
	Contributions by employer	76.39	108.24
	Benefits paid	(30.35)	(86.74)
	Plan assets at 31 March at fair value	792.83	673.55
(iii)	Reconciliation of net defined benefit liability		
	Present value of obligation as at 31 March	891.93	749.94
	Plan assets at 31 March at fair value	792.83	673.55
	Benefit liability	(99.10)	(76.39)
	Current	99.10	76.39
2.	**Components of expense recognised in the Statement of Profit and Loss**		
	Employee benefits expense		
	-Current service cost	76.46	68.96
	Finance costs		
	-Interest expense on defined benefit obligation	4.01	5.96
	Expenses recognised in the Statement of Profit and Loss for the year	80.47	74.92
3.	**Components of defined benefit costs recognised in other comprehensive income**		
	Recognised net actuarial loss/(gain) arising from change in financial assumptions	19.18	(32.67)
	Recognised net actuarial loss arising from change in demographic assumptions	-	-
	Recognised net actuarial loss arising from experience variance	23.07	16.02
	Actual returns on plan assets less interest on plan assets	(23.62)	18.12
	Re-measurement loss in other comprehensive income	18.63	1.47
4.	**Experience adjustment:**		
	On plan liabilities loss	23.07	16.02
	On plan assets gain / (loss)	23.62	(18.12)
5.	**Investment details:**	% Invested	% Invested
	Insurer managed funds	99.89%	100.00%
	Others	0.11%	0.00%

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36 Employee benefits (continued)

	31 March 2024	31 March 2023
6. The principal assumptions used in determining gratuity obligations for the Company's plans disclosed below		
Discount factor [Refer note (i) below]	7.20%	7.45%
Estimated rate of return on plan assets [Refer note (ii) below]	7.20%	7.45%
Attrition rate:		
Age related (Service related):		
21-30 Years	20.00%	20.00%
31-34 Years	15.00%	15.00%
35-44 Years	5.00%	5.00%
45-50 Years	3.00%	3.00%
51-54 Years	2.00%	2.00%
55-59 Years	1.00%	1.00%
Salary escalation rate [Refer note (iii) below]	8.00% until years 2, inclusive then 7.00%	8.00% until years 3, inclusive then 7.00%
Retirement age (in years)	60	60

The assumptions were developed by Management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of Government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and Management's historical experience.

	31 March 2024	31 March 2023
7. Maturity profile of defined benefit obligation:		
Within 1 year	110.53	60.03
1-2 year	87.69	69.88
2-3 year	104.60	77.02
3-4 year	54.06	92.31
4-5 year	85.10	43.29
5-10 year and above	1,566.21	1,445.76

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, attrition rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact of change in the defined benefit obligation resulting from the specified percentage change in the aforementioned assumptions.

	31 March 2024	31 March 2023
A. Discount rate		
Discount rate -100 basis points	84.61	74.47
Discount rate +100 basis points	(72.56)	(63.97)
B. Salary escalation rate		
Salary rate -100 basis points	(38.49)	(33.15)
Salary rate +100 basis points	39.58	34.05
C. Morality Rate		
Morality rate -10% basis points	(0.81)	(0.75)
Morality rate +10% basis points	0.80	0.75
D. Leaving Service Ratio		
Attrition rate -50% basis points	(17.37)	(21.52)
Attrition rate +50% basis points	12.26	15.67

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method and assumptions used in preparing the sensitivity analysis from previous years.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.02 years (31 March 2023: 9.19 years).

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37 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, lease liabilities, less cash and cash equivalents.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	31 March 2024	31 March 2023
Total debt (including lease liability)*	205.03	-
Total equity	21,061.19	16,565.21
Gearing ratio	0.96%	-

* For previous year, where the total debts are less than cash and cash equivalent, the net debts were shown as Nil.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

38 Share-based payments

Employee Stock Option Plan 2010

The Board of Directors of the Company approved the 'Mistral Solutions Private Limited Employee Stock Option Plan 2010' on 15 July 2010 and it is effective from 1 April 2010. The options granted have vesting period in the range of 1 to 4 years.

The movement in the options under the plan is set out below:

Particulars	31 March 2024	31 March 2023
Options outstanding as at beginning of the year	-	3,63,000
Options granted during the year	-	-
Options vested during the year	-	-
Options forfeited during the year	-	-
Options exercised during the year	-	2,62,500
Shares allotted against options exercised during the year	-	-
Options expired/relinquished during the year	-	1,00,500
Options outstanding at the end of the year	-	-
Options exercisable as at the end of the year	-	-
Weighted average price per option (Rs.)	-	5

Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Company has granted Nil option (31 March 2023: Nil option) during the year.

During the previous year ended 31 March 2023, the Board of Directors had approved cancellation of 100,500 ESOP's which were granted but not vested. AXISCADES as a part of the acquisition had paid Rs 1,414.44 lakhs to the employees for the aforesaid cancelled ESOPs and 65,212 promised but not granted ESOP.
The Company in line with the Accounting Standards had recognized Rs. 362.61 lakhs as an expense for the cancelled ESOPs which were granted but not vested comprising of the following:

- Rs. 189.49 lakhs – Difference between the amount paid and fair value as on the date of settlement.
- Rs. 173.12 lakhs – Accelerated vesting of cancelled ESOPs.

The difference between the settlement date fair value and grant date fair value of Rs. 289.91 lakhs have been charged to other equity. Furthermore, the amount of Rs. 556.62 lakhs paid by AXISCADES for promised but not granted ESOP has also been recognized as an expense. The total amount paid by Axiscades amounting to Rs. 1,414.44 lakhs has been recognized as a credit to capital reserve.

39 During the previous year ended 31 March 2023, the holding company AXISCADES Technologies Limited ('AXISCADES') had issued Non-convertible debentures ('NCD') amounting to Rs. 14,500 lakhs to Grand Anicut Fund II ('Investor') for the purpose of completing the acquisition of Mistral Solutions Pvt. Ltd. ('Company'). Consequent to issuance of the NCDs, AXISCADES entered into an investment agreements with the Investor and the same had been ratified by the Board of directors of the Company in its 146th board meeting on 13 March 2023, whereby the Company has granted to Investor the right to subscribe ('warrants') to 4,14,039 partly paid compulsorily convertible preference shares ('CCPS') having a face value of Rs. 5.00 each, at a price of Rs. 969.11 at a pre-money equity valuation of Rs. 42,000 lakhs ('specified valuation').

As per the agreed terms of the CCPS, between the Company, AXISCADES and Investor, approved by board of directors of the Company in its 146th board meeting on 13 March 2023, if the Investor has been able to liquidate the NCD within 36 months from the date of allotment, then at any time thereafter, the Investor/CCPS Holder, shall have the right to cause the Company to buy back the securities held by the Investors at fair market value (FMV).

The above warrants have been classified as a derivative financial liability in terms of Ind AS 32. Accordingly, the Company have valued the share warrants as at the transaction date at Rs. 565.18 lakhs and recorded liability through equity.

During the year, the Company has entered into an Amendment to Share Subscription cum Shareholders' Agreement dated 22 July 2023 on 29 September 2023, thereby amending the terms of right of investment by the Investor, wherein the Investor is entitled to invest only upon discretion and consent of the Company and does not have unconditional contractul obligation to buy back these CCPS. Consequent to the aforesaid amendment, the derivative liability of Rs. 565.18 lakhs has been reversed during the year ended 31 March 2024 to equity.

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40 Financial instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2024, including their levels in the fair value hierarchy.

Particulars		Carrying amount						Fair value		
	Note	FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investment in real estate fund	6	162.63	-	-	-	-	162.63	-	162.63	-
Investment in mutual funds	6	2,783.94	-	-	-	-	2,783.94	2,783.94	-	-
		2,946.57	-	-	-	-	2,946.57	2,783.94	162.63	-
Financial assets not measured at fair value										
Loans	7	-	-	-	3,200.00	-	3,200.00			
Other financial assets	8	-	-	-	1,515.17	-	1,515.17			
Trade receivables	12	-	-	-	6,996.15	-	6,996.15			
Cash and cash equivalent	13	-	-	-	1,199.17	-	1,199.17			
Bank balances other than cash and cash equivalent	14	-	-	-	597.63	-	597.63			
		-	-	-	13,508.12	-	13,508.12	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2024.

Particulars	Note	FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities measured at fair value										
Other financial liabilities (Option premium on fair valuation of derivatives)	19	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
Lease liabilities	31	-	-	-	-	1,404.20	1,404.20			
Trade payables	18	-	-	-	-	2,670.94	2,670.94			
Other financial liabilities	19	-	-	-	-	711.77	711.77			
		-	-	-	-	4,786.91	4,786.91	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2024.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2023, including their levels in the fair value hierarchy.

Particulars		Carrying amount						Fair value		
	Note	FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investment in real estate fund	6	200.86	-	-	-	-	200.86	-	200.86	-
Investment in mutual funds	6	2,453.21	-	-	-	-	2,453.21	2,453.21	-	-
		2,654.07	-	-	-	-	2,654.07	2,453.21	200.86	-
Financial assets not measured at fair value										
Loans	7	-	-	-	-	-	-			
Other financial assets	8	-	-	-	912.38	-	912.38			
Trade receivables	12	-	-	-	5,327.10	-	5,327.10			
Cash and cash equivalent	13	-	-	-	1,222.68	-	1,222.68			
Bank balances other than cash and cash equivalent	14	-	-	-	1,446.63	-	1,446.63			
		-	-	-	8,908.79	-	8,908.79	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during year ended 31 March 2023.

Particulars	Note	FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities measured at fair value										
Other financial liabilities (Option premium on fair valuation of derivatives)	19	-	-	565.18	-	-	565.18	-	-	565.18
		-	-	565.18	-	-	565.18	-	-	565.18
Financial liabilities not measured at fair value										
Lease liabilities	31	-	-	-	-	467.21	467.21			
Trade payables	18	-	-	-	-	2,600.07	2,600.07			
Other financial liabilities	19	-	-	-	-	501.16	501.16			
		-	-	-	-	3,568.44	3,568.44	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during year ended 31 March 2023.

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40 Financial instruments - fair values and risk management (continued)

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a force liquidation sale.

The fair value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans, trade payables, lease liabilities and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value. Investments in equity shares in subsidiary and associate is not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Seperate Financial Statements is scoped out under Ind AS 109, Financial Instruments.

Investments in liquid and short- term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Valuation technique and significant unobservable input

Type	Valuation technique	Significant unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
Option premium on fair valuation of derivative	Binomial option pricing model	Exercise price per share Risk free rate Sigma range	Rs. 969.10 7.1% 50.6% - 51.8%	These inputs would result in fair value loss on derivative by Rs. 565.18 lakhs

Valuation process

The Corporate finance team has requisite knowledge and skills. The team headed by the Company CFO directly reports to the audit committee to arrive at the fair value of financial

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40 Financial instruments - fair values and risk management (continued)

Financial risk management
The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Companys internal assessment.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, United States of America and Europe. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Company's historical experience for customers.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial assets that are not credit impaired
The Company has financial assets which are in the nature of cash and cash equivalents, other bank balances, loans, security deposits, interest accrued on fixed deposits and other receivables which are not credit impaired. These are contractually agreed where the probability of default is negligible.

Financial assets that are credit impaired
Trade receivables

The Company's exposure to credit risk is influenced mainly by the type of each customer. Since, the receivables from Government entities are sovereign in nature and default rate will be remote, they are excluded from expected credit loss. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are into defense sector or non defense sector, industry, trading history with the Company and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by the type of counterparty is as follows:

Carrying amount	31 March 2024	31 March 2023
Defence sector	5,179.87	3,865.96
Non defence sector	1,464.33	1,495.88
Related parties	411.24	21.48
	7,055.44	5,383.32

The Company has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Out of the total trade receivables of Rs. 7,055.44 lakhs (31 March 2023: Rs 5,383.32 lakhs), the exposure considered for expected credit loss is Rs. 1,875.57 lakhs (31 March 2023: Rs. 1,517.36 lakhs). The balance which is not considered for impairment pertains to Government entities where default in collection as a percentage to total receivable is low.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables:

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2024			
Current (not past due)	1,236.45	0.23%	2.82
0-90 days	564.31	0.50%	2.83
91-180 days	42.22	62.17%	26.24
181-270 days	4.70	11.11%	0.52
271-365 days	1.54	34.56%	0.53
> 365 days	26.35	100.00%	26.35
	1,875.57		59.29

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40 **Financial instruments - fair values and risk management (continued)**

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2023			
Current (not past due)	962.44	0.01%	0.12
0-90 days	278.88	7.95%	22.17
91-180 days	204.71	0.23%	0.47
181-270 days	16.55	0.96%	0.16
271-365 days	-	0.00%	-
> 365 days	33.30	100.00%	33.30
	1,495.88		**56.22**

Movement in the allowance for impairment in trade receivables	31 March 2024	31 March 2023
Opening balance	56.22	40.43
Amount provided for	21.52	25.43
Amount reversal for	(18.45)	(9.64)
Amount utilised for	-	-
Net remeasurement of loss allowance	**59.29**	**56.22**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities based on contractual undiscounted payment ay year end:

Particulars	As at 31 March 2024			
	Less than 3 months	3 months - 1 year	1-5 years	5 years and above
Dearvative financial liabilities				
Other financial liabilities (Option premium on fair valuation of derivatives)	-	-	-	-
		-	-	-
Non-derivative financial liabilities				
Lease liabilities	122.78	362.13	1,183.93	41.14
Trade payables	2,670.94	-	-	-
Other financial liabilities	711.77	-	-	-
	3,505.49	**362.13**	**1,183.93**	**41.14**
Total financial liabilities	**3,505.49**	**362.13**	**1,183.93**	**41.14**

Particulars	As at 31 March 2023			
	Less than 3 months	3 months - 1 year	1-5 years	5 years and above
Dearvative financial liabilities				
Other financial liabilities (Option premium on fair valuation of derivatives)	-	-	565.18	-
	-	-	565.18	-
Non-derivative financial liabilities				
Lease liabilities	102.29	215.55	149.26	111.74
Trade payables	2,600.07	-	-	-
Other financial liabilities	501.16	-	-	-
	3,203.52	**215.55**	**149.26**	**111.74**
Total financial liabilities	**3,203.52**	**215.55**	**714.44**	**111.74**

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

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S. R. Batliboi & Associates LLP Bengaluru

Mistral Solutions Pvt. Ltd. Bangalore

40 Financial instruments - fair values and risk management (continued)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows.

Particulars	31 March 2024		
	USD exposure	EURO exposure	GBP exposure
Trade and other payables	1,842.49	-	1.69
Trade and other receivables	1,231.87	214.34	283.74
Net exposure in respect of recognised assets and (liabilities)	**610.62**	**(214.34)**	**(282.05)**

Particulars	31 March 2023		
	USD exposure	EURO exposure	GBP exposure
Trade and other payables	1,652.64	22.70	0.50
Trade and other receivables	1,223.30	34.70	-
Net exposure in respect of recognised assets and (liabilities)	**429.34**	**(12.00)**	**0.50**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar, Euro or GBP against all other currencies as at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
31 March 2024	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	6.11	(6.11)	4.57	(4.57)
EURO (for 1% movement)	(2.14)	2.14	(1.60)	1.60
GBP (for 1% movement)	(2.82)	2.82	(2.11)	2.11
	1.15	**(1.15)**	**0.86**	**(0.86)**

	Profit or loss		Equity, net of tax	
31 March 2023	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	4.29	(4.29)	3.21	(3.21)
EURO (for 1% movement)	(0.12)	0.12	(0.09)	0.09
GBP (for 1% movement)	0.01	(0.01)	0.00	(0.00)
	4.18	**(4.18)**	**3.12**	**(3.12)**

Price risk

The Company invests in mutual funds schemes of leading fund houses. Such investments are suspectible to market price risks. However, given the short tenure of the underlying portfolio of the mutual fund shcemes in which the Company has invested, such price risk is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have any long term debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

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S. R. Batliboi & Associates LLP Bengaluru

MISTRAL SOLUTIONS PVT. LTD. BANGALORE

41 Ratio analysis and its elements

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% change	Reasons for variance
Current ratio	Current assets	Current liabilities	2.60	2.56	2%	
Debt- equity ratio	Total debt (including lease liabilities)	Shareholder's equity	0.07	0.03	122%	*
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease payments + Principal repayments	10.61	6.99	52%	**
Return on equity ratio	Net profit after taxes	Average shareholder's equity	0.21	0.14	50%	**
Inventory turnover ratio	Cost of goods sold	Average inventory	2.42	2.42	0%	
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	5.11	5.31	-4%	
Trade payable turnover ratio	Net credit purchases	Average trade payable	5.95	4.95	20%	
Net capital turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	2.18	1.93	13%	
Net profit ratio	Net profit after taxes	Revenue from operations	0.13	0.08	57%	**
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt	0.24	0.20	20%	
Return on investment	Interest (Finance Income)	Investment	0.04	0.02	84%	***

Explanations have been given where the change in the ratio is more than 25% as compared to the preceding year.

Variance in the ratios is due to the following reasons:

* The variance is majorly due to renewal/addition of leases during the year which has resulted in increase of the closing debt.

** Increase in profit during the year and the effect of cancellation of ESOP in the previous year resulted in increase in the net profit percentage during the year.

*** Return on investment - Higher gains from mutual funds during the year resulted in increase in the return on investment.

42 Other statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company do not have any transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

43 In accordance with Ind AS 108, Operating Segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

44 Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Company is in the process of updating the Transfer Pricing documentation for the financial year ended 31 March 2024 following a detailed transfer pricing study conducted for the financial year ended 31 March 2023. In the opinion of the Management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

45 The Company has used two accounting software for maintaining its books of account.
i) With respect to one accounting software, the Company has migrated to an upgraded version of accounting software from legacy accounting software during the year effective from 19 June 2023. The audit trail feature in respect of the legacy accounting software is not enabled. The upgraded accounting software used for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. There is no instance of audit trail feature being tampered with in respect of upgraded accounting software.
ii) Further, the audit trail feature is not enabled for accounting software used for inventory management.

46 Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN : U72200KA1999PTC025232

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Anoop Aggarwal
Chief Financial Officer
Place: Bengaluru, India
Date: 08 May 2024

Mistral Solutions Pvt. Ltd. Bangalore

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Mistral Solutions Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mistral Solutions Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group and its associate as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and associate 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 audit opinion on the consolidated financial statements.

Other Information

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

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

S.R. Batliboi & Associates LLP
Bengaluru

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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Bengaluru

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 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 ability of the Group and its associate 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 consolidated 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

S.R. Batliboi & Associates LLP
Bengaluru

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs. 2,659.36 lakhs as at March 31, 2024, and total revenues of Rs. 6,185.57 lakhs and net cash outflows of Rs. 450.36 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the Management. The consolidated financial statements also include the Group's share of net loss of Rs. 0.30 lakhs for the period September 04, 2023 to March 31, 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total revenues of nil and net cash inflows of Rs. 3.00 lakhs for the period April 01, 2023 to September 03, 2023. These unaudited financial statements and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of Sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information is not material to the Group.

(c) The consolidated financial statements of the Company for the year ended March 31, 2023, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 21, 2023.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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 Sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

S.R. Batliboi & Associates LLP Bengaluru

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2024 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 consolidated financial statements of the Holding Company and its subsidiary company and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary and associate, incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiary and associate, incorporated in India, to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer note 32 to the consolidated financial statements;

S.R. Batliboi & Associates LLP Bengaluru

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer notes 17 and 42 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associate incorporated in India during the year ended March 31, 2024.

iv. a) The respective Managements of the Holding Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate respectively that, to the best of its knowledge and belief, as disclosed in the note 46 to the consolidated 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 Holding Company or any of such subsidiaries and associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Managements of the Holding Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate respectively that, to the best of its knowledge and belief, as disclosed in the note 46 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiary company and associate company, incorporated in India.

S.R. Batliboi & Associates LLP
Bengaluru

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 47 to the consolidated financial statements, the Holding Company, subsidiary and associate company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded. Further, during the course of our audit, we and respective auditor of the above referred subsidiary and associate did not come across any instance of audit trail feature being tampered with, in respect of accounting software where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 24104315BKEXHM9223

Place of Signature: Bengaluru
Date: May 08, 2024

Annexure 1 referred to in clause 1 of paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the Consolidated Financial Statements

Re: Mistral Solutions Private Limited ('the Holding Company')

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number: 101049W/E300004

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 24104315BKEXHM9223

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: May 08, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MISTRAL SOLUTIONS PRIVATE LIMITED

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

In conjunction with our audit of the consolidated financial statements of Mistral Solutions Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

S.R. Batliboi & Associates LLP
Bengaluru

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

S.R. Batliboi & Associates LLP
Bengaluru

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiary and associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 24104315BKEXHM9223

Place of Signature: Bengaluru
Date: May 08, 2024

Mistral Solutions Private Limited
Consolidated Balance Sheet as at 31 March 2024
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	1,038.90	875.70
Intangible assets	5	231.86	154.13
Right-of-use assets	33	1,407.65	826.76
Financial assets			
Investments	6	790.08	200.86
Loans	7	4,000.00	500.00
Other financial assets	8	751.40	227.80
Deferred tax assets (net)	30	137.76	123.93
Non-current tax asset (net)	9	188.32	183.99
Other non-current assets	10	1.20	6.03
		8,547.17	3,099.20
Current assets			
Inventories	11	6,826.98	6,493.88
Financial assets			
Investments	6	2,783.94	2,453.21
Trade receivables	12	7,183.93	5,537.11
Cash and cash equivalent	13	1,348.22	1,822.14
Bank balances other than cash and cash equivalent	14	597.63	1,446.63
Other financial assets	8	676.92	679.15
Other current assets	10	4,547.94	5,764.58
		23,965.56	24,196.70
Total assets		32,512.73	27,295.90
Equity and liabilities			
Equity			
Equity share capital	15	203.39	203.39
Instrument entirely equity in nature	15	6.04	1.90
Other equity	16	22,646.06	17,738.04
Total equity		22,855.49	17,943.33
Non- current liabilities			
Financial liabilities			
Lease liabilities	33	1,043.70	169.26
Provisions	17	163.13	141.50
		1,206.83	310.76
Current liabilities			
Financial liabilities			
Lease liabilities	33	372.51	301.17
Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		77.72	135.84
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,910.36	2,313.98
Other financial liabilities	19	804.90	1,146.34
Other current liabilities	20	3,663.38	3,817.50
Provisions	17	1,070.04	1,032.83
Current tax liabilities (net)		551.50	294.15
		8,450.41	9,041.81
Total liabilities		9,657.24	9,352.57
Total equity and liabilities		32,512.73	27,295.90

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm registration number: 101049W/E300004

S. R. Batliboi & Associates LLP
Bengaluru

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN : U72200KA1999PTC025232

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

MISTRAL SOLUTIONS PVT. LTD.
BANGALORE

Mistral Solutions Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2024
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customers	21	33,126.08	28,207.37
Other income	22	770.38	236.66
Total income		33,896.46	28,444.03
Expenses			
Cost of raw material and components consumed	23	13,403.71	10,016.26
Purchase of traded goods	24	2,267.79	3,419.82
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	25	39.95	(226.46)
Employee benefits expense	26	9,636.95	9,231.01
Finance costs	27	98.71	79.84
Depreciation and amortisation expense	28	768.32	696.48
Other expenses	29	1,893.55	1,823.35
Total expense		28,108.98	25,040.30
Profit before share in loss of an associate and tax		5,787.48	3,403.73
Share in loss of an associate, net of tax		(0.30)	-
Profit before tax		5,787.18	3,403.73
Income tax expense			
Current tax	30	1,456.85	1,190.63
Deferred tax credit	30	(8.97)	(22.40)
		1,447.88	1,168.23
Profit for the year		4,339.30	2,235.50
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		(19.32)	(1.71)
Income tax effect		4.86	0.43
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(14.46)	(1.28)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		18.00	69.42
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		18.00	69.42
Other comprehensive income for the year, net of tax		3.54	68.14
Total comprehensive income for the year, net of tax		4,342.84	2,303.64
Profit attributable to:			
Owners of the Company		4,339.30	2,235.50
Non-controlling interests		-	-
Profit for the year		4,339.30	2,235.50
Other comprehensive income attributable to:			
Owners of the Company		3.54	68.14
Non-controlling interests		-	-
Other comprehensive income for the year		3.54	68.14
Total comprehensive income attributable to:			
Owners of the Company		4,342.84	2,303.64
Non-controlling interests		-	-
Total comprehensive income for the year		4,342.84	2,303.64
Earnings per share			
Attributable to owners of the Company			
Basic (Rs. 5 per share), computed on the basis of profit for the year	31	104.24	55.42
Diluted (Rs. 5 per share), computed on the basis of profit for the year	31	104.24	55.42

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN : U72200KA1999PTC025232

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

MISTRAL SOLUTIONS PVT. LTD. BANGALORE

For the year ended 31 March 2024

a. Equity Share Capital

Equity shares of Rs. 5 each issued, subscribed and fully paid	Equity shares Number in lakhs	Amount
As at 1 April 2023	40.68	203.39
Add: Issued and subscribed during the year	-	-
As at 31 March 2024	40.68	203.39

b. Instruments entirely equity in nature

i) Series B preference shares of Rs. 5 each issued, subscribed and fully paid	Number in lakhs	Amount
As at 1 April 2023	0.38	1.90
Add: Issued and subscribed during the year	-	-
As at 31 March 2024	0.38	1.90

ii) Series C preference shares of Rs. 5 each issued, subscribed and partly paid	Number in lakhs	Amount
As at 1 April 2023	-	-
Add: Issued and subscribed during the year (partly paid-up, Rs. 1 each paid-up) (Note: 15)	4.14	4.14
As at 31 March 2024	4.14	4.14
Total instruments entirely equity in nature	4.52	6.04

For the year ended 31 March 2023

a. Equity Share Capital

Equity shares of Rs. 5 each issued, subscribed and fully paid	Equity shares Number in lakhs	Amount
As at 1 April 2022	38.05	190.27
Add: Issued and subscribed during the year* (Note: 15)	2.63	13.12
As at 31 March 2023	40.68	203.39

* During the previous year ended 31 March 2023, the Company allotted 262,500 equity shares of Rs. 5 each aggregating Rs. 13.12 lakhs, consequent to the exercise of stock options by employees of the Company under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010".

b. Instruments entirely equity in nature

i) Series B preference shares of Rs. 5 each issued, subscribed and fully paid	Number in lakhs	Amount
As at 1 April 2022	0.38	1.90
Add: Issued and subscribed during the year	-	-
As at 31 March 2023	0.38	1.90

ii) Series C preference shares of Rs. Nil each issued, subscribed and partly paid	Number in lakhs	Amount
As at 1 April 2022	-	-
Add: Issued and subscribed during the year	-	-
As at 31 March 2023	-	-
Total instruments entirely equity in nature	0.38	1.90

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S. R. Batliboi & Associates LLP Bengaluru

Mistral Solutions Pvt. Ltd. Bangalore

Mistral Solutions Private Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2024 (continued)
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

c. Other Equity (refer note 16)
For the year ended 31 March 2024

	Reserves and surplus								
	Securities premium	Share based payment reserve	Equity contribution by preference and equity share holders on relinquishment of rights	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Foreign currency translation reserve	Total
As at 1 April 2023	1,193.70	-	941.65	45.73	1,414.44	55.30	13,938.61	148.61	17,738.04
Profit for the year	-	-	-	-	-	-	4,339.30	-	4,339.30
Re-measurement losses on defined benefit plans, net of tax	-	-	-	-	-	-	(14.46)	-	(14.46)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	18.00	18.00
Total comprehensive income for the year	-	-	-	-	-	-	4,324.84	18.00	4,342.84
Option premium on fair valuation of derivative (refer note 42)	-	-	-	-	-	-	565.18	-	565.18
As at 31 March 2024	1,193.70	-	941.65	45.73	1,414.44	55.30	18,828.63	166.61	22,646.06

For the year ended 31 March 2023

	Reserves and surplus								
	Securities premium	Share based payment reserve	Equity contribution by preference and equity share holders on relinquishment of rights	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Foreign currency translation reserve	Total
As at 1 April 2022	888.19	470.28	941.65	45.73	-	55.30	12,559.48	79.19	15,039.82
Profit for the year	-	-	-	-	-	-	2,235.50	-	2,235.50
Re-measurement losses on defined benefit plans, net of tax	-	-	-	-	-	-	(1.28)	-	(1.28)
Exchange differences on translation of foreign operations								69.42	69.42
Total comprehensive incom for the year	-	-	-	-	-	-	2,234.22	69.42	2,303.64
Share based payments to employees (refer note 26 and 41)	-	403.14	-	-	556.62	-	(289.91)	-	669.85
Transfer from share based payment reserve (refer note 41)	305.51	(873.42)	-	-	857.82	-	-		289.91
Option premium on fair valuation of derivative (refer note 42)	-	-	-	-	-	-	(565.18)	-	(565.18)
As at 31 March 2023	1,193.70	-	941.65	45.73	1,414.44	55.30	13,938.61	148.61	17,738.04

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date
for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

S. R. Batliboi & Associates LLP
Bengaluru

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN: U72200KA1999PTC025232

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

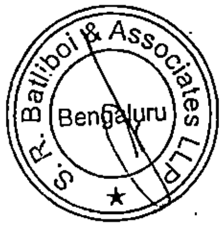
Mistral Solutions Pvt. Ltd.
Bangalore

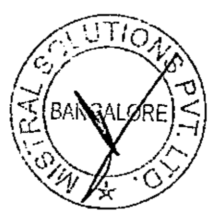
Mistral Solutions Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2024
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Operating activities			
Profit before tax		5,787.18	3,403.73
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	28	768.32	696.48
Share based payments to employees	26	-	403.14
Payment by Holding Company for cancellation of ESOPs promised but not granted		-	556.62
Gain on dilution of control in subsidiary	22	(235.94)	
Option premium on fair valuation of derivative		565.18	(565.18)
Fair value gain on financial instruments at fair value through profit and loss (net)	22	(110.90)	(83.15)
Loss on disposal of property, plant and equipment	29	3.65	2.37
Advances written off	29	-	0.40
Provisions/liabilities no longer required, written back	22	(2.02)	-
Reversal of loss allowance on trade receivables (net)	22	(18.88)	-
Provision for doubtful debts	29	-	15.79
Provision for warranties, foreseeable loss on contracts and others (net of reversals)	29	-	19.37
Net foreign exchange differences (unrealised)		27.59	(5.53)
Finance income		(396.71)	(141.25)
Finance costs	27	98.71	79.84
		6,486.18	**4,382.63**
Working capital adjustments:			
(Increase) in inventories		(326.51)	(1,754.30)
(Increase) in trade receivables		(1,618.84)	(478.61)
Decrease/(increase) in other assets including financial assets		1,408.84	(1,517.46)
(Decrease)/increase in trade payables, other liabilities and provisions		(942.82)	1,708.83
		5,006.85	**2,341.09**
Income tax paid (net)		(1,203.73)	(919.14)
Net cash flows from operating activities		**3,803.12**	**1,421.95**
Investing activities			
Purchase of property, plant and equipment and intangible assets		(622.22)	(437.86)
Proceeds from sale of property, plant and equipment		26.26	4.50
Purchase of units of mutual fund		(11,180.00)	(8,975.00)
Proceeds from sale of units of mutual fund		10,998.39	7,417.69
Investment in fixed deposits		(598.22)	(55.86)
Redemption/maturity proceeds of fixed deposits		689.07	838.36
Interest received (finance income)		380.70	139.10
Net cash flows from/(used in) investing activities		**(306.02)**	**(1,069.07)**
Financing activities			
Interest paid		(15.94)	(7.91)
Inter corporate deposits given	7	(3,500.00)	-
Proceeds from issuance of preference shares	15	4.14	-
Payment of principal and interest portion of lease liabilities	33	(460.65)	(432.63)
Net cash flows used in financing activities		**(3,972.45)**	**(440.54)**
Net decrease in cash and cash equivalent		**(475.35)**	**(87.66)**
Cash and cash equivalent at the beginning of the year		1,822.14	1,888.66
Effect of exchange rate changes		1.43	21.14
Cash and cash equivalents at end of year	13	**1,348.22**	**1,822.14**

Notes:

	As at 31 March 2024	As at 31 March 2023
a) Cash and cash equivalent include:		
Cash on hand	0.26	0.30
Balances with banks		
On current accounts	1,343.82	1,821.84
On Escrow account	4.14	-
	1,348.22	1,822.14





Mistral Solutions Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2024 (continued)
CIN: U72200KA1999PTC025232
(All amounts in Rs. lakhs, unless otherwise stated)

	31 March 2024	31 March 2023
b) Changes in liabilities arising from financing activities:		
Opening balance of lease liabilities	470.43	614.77
Non-cash items		
Additions to lease liability	1,323.66	216.37
Others	82.77	71.92
Cash flows	(460.65)	(432.63)
Closing balance of lease liabilities	1,416.21	470.43

	As at 31 March 2024	As at 31 March 2023
c) Non cash financing and investing activities		
Acquisition of Right-of-use assets (Note 31)	1,374.50	224.79
Changes in fair value of investment in mutual and other funds (Note 33)	110.90	83.15

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

S.R. Batliboi & Associates LLP Bengaluru

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN: U72200KA1999PTC025232

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

MISTRAL SOLUTIONS PVT. LTD. BANGALORE

1 Corporate information:

The Consolidated financial statements comprise financial statements of Mistral Solutions Private Limited ('the Company'/ 'Mistral') and its subsidiaries (collectively, the Group) (CIN: U72200KA1999PTC025232) and an associate for the year ended 31 March 2024. Mistral Solutions Private Limited is a company domiciled in India, with its registered office situated at Bangalore. The Company was incorporated on 20 May 1999 under the provisions of the Indian Companies Act. The Registered Office of the Company is "#60, Adarsh Regent,100 Feet Ring Road, Domlur, Bangalore, Karnataka, India, 560071".

The Group is primarily engaged in rendering end-to-end services for product design and development in the embedded space. The Group offers design and development services covering hardware and software, customizable product designs and IPs, system integration and other solutions that improve quality and accelerate time-to-market for a broad range of embedded systems.

The Consolidated financial statements were approved for issue in accordance with a resolution of the directors on 08 May 2024.

Group Information

Information about subsidiaries

Name	Country of Incorporation	% of equity interest	
		31 March 2024	31 March 2023
Mistral Technologies Private Limited (MTPL)	India	100%	100%
Mistral Solutions Inc.	USA	100%	100%
Aero Electronics Private Limited*	India	74%	100%
Associate			
Aero Electronics Private Limited*	India	74%	100%

*Subsidiary till 3 September 2023 and associate thereafter (refer note 6)

2 Material accounting policies

A. Statement of compliance and basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated financial statements.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

B. Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (Rs), which is also the parent company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise stated.

C. Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value [refer accounting policy 3(f) relating to financial instruments]
- Share based payments

D. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
▶ Exposure, or rights, to variable returns from its involvement with the investee, and
▶ The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
▶ The contractual arrangement with the other vote holders of the investee
▶ Rights arising from other contractual arrangements
▶ The Group's voting rights and potential voting rights
▶ The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

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D. Basis of consolidation (continued)

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Busine combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other In ASs as would be required if the Group had directly disposed of the related assets or liabilities

E. Use of estimates and judgements

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated financial statements

- Note 21 - revenue recognition: whether revenue from professional engineering service is recognized over time or at a point in time.
- Note 33 - leases: whether an arrangement contains a lease. Whether the Group is reasonably certain to exercise extension options.
- Note 38 - measurement of defined benefit obligations - Key actuarial assumptions

Assumptions and estimation uncertainities

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- Note 30 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 33 - leases: lease term and incremental borrowing rate
- Note 38 - measurement of defined benefit obligations: key acturial assumptions;
- Note 17 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 44 – fair value measurement of financial instruments
- Note 4 and 5 - useful life of property, plant and equipment and intangible assets
- Note 6,7, 8, 12 , 13 and 14 - impairment of financial assets

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F. Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 38 - share-based payment; and
- Note 44 - financial instruments

G. Current/ Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when –
- It is expected to be settled in normal operating cycle; .
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

3 Summary of material accounting policies

(a) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Group depreciates depreciates the following assets over their estimated useful lives using the written down value (WDV) method except for vehicles. The estimated useful lives of assets are as follows:

Asset	Useful Life
Plant and equipment	15 years
Office equipment	5 years
Computer system (including testing equipment)*	6 years
Furniture and fixtures	10 years
Vehicles*	6 years

Leasehold improvements are depreciated over its lease period including renewable period or estimated useful life, whichever is shorter, on a written down value (WDV) basis.

* Based on an technical assessment, the Management believes that the useful lives as given above represents the period over which Management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The expected useful lives of property, plant and equipment are reviewed at-least annually.

Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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Summary of material accounting policies (continued)

(b) Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Others
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation:

Intangible assets are amortized on written down value method over their respective individual estimated useful lives commencing from the date the asset is available to the Group for its use.

The estimated useful lives are as follows:

Asset	Useful Life
Computer Software	6 years

The expected useful lives are reviewed at the end of each financial year and adjusted if appropriate.

The useful lives of intangible assets are assessed as finite.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

(c) Impairment

i. **Financial Assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ii. **Non - financial Assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

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Summary of material accounting policies (continued)

ii. **Non - financial Assets (continued)**

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(d) Leases

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

As a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the right-of-use asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(f) Financial instruments

i Recognition and initial measurement

Trade receivables and debt securites issued are initially recognised when they are originated. All other financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Trade receivables that do not contain significant financing component are measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

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Summary of material accounting policies (continued)

Financial instruments (continued)

ii Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries & associates

Investment in subsidiaries & associates is carried at cost in the financial statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii Derecognition

Financial assets

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

If the Group enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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

The Group 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 a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv Offestting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(g) Foreign currencies

The Group's Consolidated financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

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Summary of material accounting policies (continued)

(h) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of the transaction price (net of variable consideration) allocated to that performance obligation.

The Group derives its revenue primarily from professional engineering services, sale of products and system engineering and traded sales.

Revenue from professional engineering services includes development contracts is either on time-and-material basis or fixed price contracts. Revenue on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue from sale of products is recognized at the point in time when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. The contracts that Group enters into relate to sales order containing single performance obligations for the delivery of goods as per Ind AS 115. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Other operating income includes benefits arising out of transactions from the operations at the Group where payment is not done by the Group. The same is recognised when there is reasonable certainity about its realisation.

Revenue in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as deferred revenues).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves whether the services added to an existing contract are distinct and whether the pricing is at the Consolidated selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the Consolidated selling price, or as a termination of the existing contract and creation of a new contract if not priced at the Consolidated selling price.

Income from support services is recognized and accounted in accordance with the terms of the agreement for service.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

(i) Investment in associate

The group holds an interest in an associate, Aero Electronics Private Limited.
The financial statements of Aero Electronics Private Limited are prepared for the same reporting period as the Group. The accounting policies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investee.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Impairments and reversals are presented within 'Share of profit/(loss) of an associate in the statement of profit or loss.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate ' in the statement of profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

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Summary of material accounting policies (continued)

(j) Income Tax

Tax expense comprises current tax expense and deferred tax.

i Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(k) Provision and contingent liabilities

i General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

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Summary of material accounting policies (continued)

(k) Provision and contingent liabilities (continued)

iii Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

iv Contingent Liability

Contingent liability is:

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

(b) a present obligation that arises from past events but is not recognized because;
-it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
-the amount of the obligation cannot be measured with sufficient reliability.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

(l) Employee benefits

i Defined contibution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Provident fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

ii Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

iii. Compensated leave

Compensated absences are provided for based on actuarial valuation carried out by an independent actuary as at the balance sheet date using the projected unit credit method.

(m) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Segment reporting

Operating segments are reported in manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The director of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM.

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Summary of material accounting policies (continued)

(o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.
For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(q) Share capital

Incremental costs directly attributable to the issued equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IND AS 12.

(r) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments had no impact on the Group's Consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.
The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

(s) Climate – related matters
The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

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4 Property, plant and equipment (PPE)

	Plant and equipment	Office equipment	Furniture and fixtures	Computer system	Vehicles	Test equipment	Leasehold improvements	Total
Cost								
As at 1 April 2022	331.10	49.20	71.47	485.10	375.37	335.25	57.32	1,704.81
Additions	10.15	18.71	7.82	55.28	144.15	34.83	38.09	309.03
Disposals	-	-	-	(3.49)	(28.83)	-	-	(32.32)
Other adjustments (refer note 1 below)	-	0.36	0.13	1.95	-	-	-	2.44
As at 31 March 2023	341.25	68.27	79.42	538.84	490.69	370.08	95.41	1,983.96
Additions	6.74	9.35	0.02	130.58	258.29	47.36	23.90	476.24
Disposals	(16.92)	(0.42)	(0.51)	(0.70)	(76.49)	(1.63)	(5.50)	(102.17)
Other adjustments (refer note 1 below)	-	0.07	0.02	0.40	-	-	-	0.49
As at 31 March 2024	331.07	77.27	78.95	669.12	672.49	415.81	113.81	2,358.52
Depreciation								
As at 1 April 2022	65.29	34.15	37.99	312.65	138.70	256.36	28.05	873.19
Charge for the year	46.15	11.40	16.82	68.68	58.42	27.42	29.38	258.27
Disposals	-	-	-	(2.55)	(22.91)	-	-	(25.46)
Other adjustments (refer note 1 below)	-	0.36	0.11	1.79	-	-	-	2.26
As at 31 March 2023	111.44	45.91	54.92	380.57	174.21	283.78	57.43	1,108.26
Charge for the year	38.73	9.92	8.23	76.69	88.10	33.57	22.42	277.66
Disposals	(12.84)	(0.38)	(0.51)	(0.61)	(51.19)	(1.23)	-	(66.76)
Other adjustments (refer note 1 below)	-	0.07	0.02	0.37	-	-	-	0.46
As at 31 March 2024	137.33	55.52	62.66	457.02	211.12	316.12	79.85	1,319.62
Net book value								
As at 31 March 2024	193.74	21.75	16.29	212.10	461.37	99.69	33.96	1,038.90
As at 31 March 2023	229.81	22.36	24.50	158.27	316.48	86.30	37.98	875.70

Notes:

1 Represent adjustments consequent to foreign exchange translation of property, plant and equipment in foreign geographies.

2 **Property, plant and equipment pledged as security**
Details of properties pledged are as per note 13.

3 **Capitalised borrowing cost**
No borrowing costs are capitalised during the year ended 31 March 2024 (31 March 2023: Nil).

Capital work in progress (CWIP)
As at 31 March 2024

	1 April 2023	Additions during the year	Capitalised during the year	31 March 2024
Projects in progress	-	23.90	(23.90)	-
Total	-	23.90	(23.90)	-

As at 31 March 2023

	1 April 2022	Additions during the year	Capitalised during the year	31 March 2023
Projects in progress	-	21.08	(21.08)	
Total	-	21.08	(21.08)	

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the year ended 31 March 2024 and 31 March 2023

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5 Intangible assets

	Computer software	Total
Cost		
As at 1 April 2022	301.32	301.32
Additions	112.88	112.88
Disposals	-	-
As at 31 March 2023	414.20	414.20
Additions	161.50	161.50
Disposals	-	-
As at 31 March 2024	575.70	575.70
Depreciation		
As at 1 April 2022	208.67	208.67
Charge for the year	51.40	51.40
Disposals	-	-
As at 31 March 2023	260.07	260.07
Charge for the year	83.77	83.77
Disposals	-	-
As at 31 March 2024	343.84	343.84
Net book value		
As at 31 March 2024	231.86	231.86
As at 31 March 2023	154.13	154.13

Refer note 13 for details of intangible assets pledged as security

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Mistral Solutions Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2024 (continued)
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(All amounts in Rs. lakhs, unless otherwise stated)

6 Investments

	As at 31 March 2024	As at 31 March 2023
Non-current		
Unquoted investments		
i) Investment in equity shares of associate carried at cost:		
Aero Electronics Private Limited ^ 70,688 equity shares (31 March 2023: 70,688) of Rs.5 each, fully paid up	627.41	-
Total investment carried at cost	627.41	-
ii) Investments at fair value through FVTPL		
Investment in real estate fund	162.67	200.86
Total FVTPL investments	162.67	200.86
Total non-current investments	790.08	200.86
Current		
Quoted investments		
iii) Investments at fair value through FVTPL		
Investment in mutual funds	2,783.94	2,453.21
Total FVTPL investments	2,783.94	2,453.21
Total current investments	2,783.94	2,453.21
Aggregate value of investments	3,574.02	2,654.07
Aggregate value of unquoted investments	790.08	200.86
Aggregate book value of quoted investments	2,783.94	2,453.21
Aggregate market value of quoted investments	2,783.94	2,453.21
Aggregate provision for impairment in value of investments	-	-

Refer note 13 for details of investments pledged as security

^ As per the Shareholders' Agreement and Share Subscription Agreement ("Share Agreements") between the Company, Aero Electronics Private Limited ("Aero Electronics"), a subsidiary of the Company and third-party Investor ("Investor"), it is agreed between the parties to issue 67,900 Equity Shares and 89,486 Cumulative Convertible Preference Shares of Aero Electronics to the Investor for a purchase consideration aggregating Rs. 1,397.59 lakhs and the Investor is entitled to appoint and remove the majority of directors on the Board of Directors of Aero Electronics. Accordingly, the Group has lost control over Aero Electronics but continues to exercise significant influence over Aero Electronics and hence accounts for the investments in Aero Electronics as an associate with effect from 04 September 2023. As per Ind AS 110, Consolidated Financial Statements, the Group fair valued its retained investment in Aero Electronics (based on as independent valuers report) on the date of loss of control which resulted in a dilution gain of Rs. 235 94 lakhs and disclosed under other income in the Consolidated Statement of Profit and loss.

7 Loans

	As at 31 March 2024	As at 31 March 2023
Non-current		
(carried at amortised cost)		
Unsecured		
Considered good:		
Loan to a Holding company (refer note 37)	3,500.00	-
Loan to a fellow subsidiary (refer note 37)	500.00	500.00
	4,000.00	500.00

Disclosure required under Sec 186(4) of the Companies Act 2013
Included in loans are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013

Name of the loanee	Rate of interest	Due date	Secured/ unsecured	As at 31 March 2024	As at 31 March 2023
AXISCADES Technologies Limited	11.50%	10 May 2026	Unsecured	1,500.00	-
AXISCADES Technologies Limited	11.50%	03 December 2026	Unsecured	1,700.00	-
AXISCADES Technologies Limited	11.50%	03 December 2026	Unsecured	300.00	-
Axiscades Aerospace & Technologies Private Limited	9.00%	02 February 2026	Unsecured	500.00	500.00
				4,000.00	500.00

(i) The loan has been utilized for meeting their working capital requirements/corporate restructuring.
(ii) Loans are non-derivative financial assets which generate a fixed interest income for the group and are measured at amortised cost. The carrying value may be affected by changes in the credi risk of the counterparties.

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8 Other financial assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
(carried at amortised cost)		
Unsecured, considered good		
Security deposits	183.75	227.80
Margin Money deposit with bank against working capital loan	375.54	-
Interest accrued but not due from related parties (refer note 37)	192.11	-
	751.40	227.80
Current		
(carried at amortised cost)		
Unsecured, considered good		
Earnest money deposit (mainly includes tender deposits and deposits with Government authorities)	2.68	4.00
Interest accrued but not due	31.29	32.01
Unbilled revenue	30.10	6.64
Security deposits	55.62	-
Margin Money deposit with bank against working capital loan	382.60	-
Other receivables from related parties (refer note 37)	-	600.00
Liquidated damages recoverable from customers	153.69	
Others	20.94	36.50
	676.92	679.15

Refer note 13 for details of other financial assets pledged as security

Break up of financial assets carried at amortised cost		
Loans (Non-current) (refer note 7)	4,000.00	500.00
Trade receivables (Current) (refer note 12)	7,183.93	5,537.11
Cash and cash equivalent (refer note 13)	1,348.22	1,822.14
Bank balances other than cash and cash equivalent (refer note 14)	597.63	1,446.63
Other financial assets (Current and Non-current) (refer note 8)	1,428.32	906.95
	14,558.10	10,212.83

9 Non-current tax asset, net

	As at 31 March 2024	As at 31 March 2023
Advance income tax	188.32	183.99
	188.32	183.99

10 Other assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Prepaid expenses	1.20	6.03
	1.20	6.03
Current		
Unsecured, considered good		
Duties and taxes recoverable	270.50	1,031.39
Export incentive receivable	72.79	72.79
Prepaid expenses	208.40	199.09
Advance to suppliers	784.25	357.19
Advance to employees	10.58	8.01
Contract assets	3,200.75	4,076.00
Deferred rent	0.67	0.96
Other advances	-	19.15
	4,547.94	5,764.58

Refer note 13 for details of other assets pledged as security

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Mistral Solutions Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2024 (continued)
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(All amounts in Rs. lakhs, unless otherwise stated)

11 Inventories (at the lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw material / components [including goods-in-transit of Rs. 77.07 lakhs (31 March 2023: Rs. 112.44 lakhs)]	5,244.18	4,871.13
Work-in-progress	1,080.88	818.08
Finished goods	401.30	656.90
Stock-in-trade [including goods-in-transit of Rs. 39.09 lakhs (31 March 2023: Rs. 28.96 lakhs)]	100.62	147.77
	6,826.98	6,493.88

Value of inventories above is stated after provisions for obsolescence/slow moving of Rs. 1,380.28 lakhs (31 March 2023: Rs. 1092.77 lakhs).

Refer note 13 for details of inventories pledged as security

12 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Current		
Trade receivables from other parties	6,900.19	5,515.63
Trade receivables from related parties (refer note 37)	283.74	21.48
Total trade receivables	7,183.93	5,537.11
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	7,183.93	5,537.11
Trade receivables, which have significant increase in credit risk	46.85	78.17
Trade receivables - credit impaired	12.44	-
	7,243.22	5,615.28
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables, which have significant increase in credit risk	(46.85)	(78.17)
Trade receivables - credit impaired	(12.44)	-
Total trade receivables	7,183.93	5,537.11

Trade receivables ageing schedule

As at 31 March 2024

	Unbilled (Included in note 8)	Current but not due	Outstanding for following periods from due date of payment					
			Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	30.10	3,428.80	3,712.05	35.75	7.33		-	7,183.93
Undisputed trade receivables – which have significant increase in credit risk	-	2.83	4.68	1.05	38.29	-	-	46.85
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	12.44	12.44
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk		-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	30.10	3,431.63	3,716.73	36.80	45.62	-	12.44	7,243.22

As at 31 March 2023

	Unbilled (Included in note 8)	Current but not due	Outstanding for following periods from due date of payment					
			Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	6.64	2,224.18	3,196.21	98.79	8.52	9.41	-	5,537.11
Undisputed trade receivables – which have significant increase in credit risk	-	0.12	22.64	0.16	10.86	22.44	21.95	78.17
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Total	6.64	2,224.30	3,218.85	98.95	19.38	31.85	21.95	5,615.28

No trade receivable are due from directors or other officers of the group either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer note 37.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:	As at 31 March 2024	As at 31 March 2023
As at 1 April	78.17	77.17
Provision/(reversal) for expected credit losses	(18.88)	1.00
As at 31 March	59.29	78.17

Refer note 13 for details of trade receivables pledged as security

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13 Cash and cash equivalent

	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- On current accounts *	1,343.82	1,821.84
- On Escrow account^	4.14	-
Cash on hand	0.26	0.30
	1,348.22	1,822.14

* includes debit balance in cash credit of Rs. 962.66 lakhs (31 March 2023: Rs. 836.32 lakhs)

- Total Limits sanctioned (including non working capital) is Rs. 4,930.00 lakhs (31 March 2023: Rs. 4,730.00 lakhs)
- first pari-pasu charge on receivables, current assets and fixed assets of the Group. The quarterly returns or statements filed by the Group against the sanctioned working capital limits with banks are in agreement with the books of accounts.
- Cash credit rate of interest - HDFC Bank Limited "10.4%", Axis Bank Limited "Repo + 3.75%", Kotak Mahindra Bank Limited "Repo + 3.75%"

^ amount received from proceeds of issuance of preference shares during the year which is to be utilised for the purpose for which it is received. Refer note no. 15 c (iii) for details.

At 31 March 2024, the Group has Rs. 676.41 lakhs (31 March 2023: Rs. 963.17 lakhs) of undrawn committed borrowing facilities available.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- On current accounts *	1,343.82	1,821.84
- On Escrow account^	4.14	-
Cash on hand	0.26	0.30
	1,348.22	1,822.14

14 Bank balances other than cash and cash equivalent

	As at 31 March 2024	As at 31 March 2023
Margin money deposits (with original maturity of more than 3 months but less than 12 months)	597.63	1,343.20
Bank deposits (with original maturity of more than 3 months but less than 12 months)	-	103.43
	597.63	1,446.63

Refer note 13 for details of bank balance other than cash and cash equivalent pledged as security

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15 Share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
a Authorized share capital				
Equity shares of Rs. 5 each	60.00	300.00	60.00	300.00
Preference shares of Rs. 5 each	10.00	50.00	10.00	50.00
	70.00	350.00	70.00	350.00

b (i) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

b (ii) Terms/ rights attached to preference shares

(i) Series B preference shares

The Company has 38,000 (31 March 2023: 38,000) Fully Convertible Cumulative Participative Preference Shares (FCCPPS) of Rs. 5 each at a premium of Rs. 225 each per share outstanding as at the end of the year.

Each Series B preference share has a par value of Rs. 5 and is convertible upon the first occurrence of: (a) the majority investors consenting to such conversion; (b) the closing of an underwritten public offering of the Company's equity shares at a minimum valuation specified in the Shareholders Agreement dated 7 January 2008 ('the Series B Agreement'); or (c) on 30 June 2027. The preference shares carry a dividend of 0.01% per annum. The dividend rights are cumulative. In addition, FCCPS are entitled to participate in the distribution of the profits of the Company to the other shareholders of the Company as per the Agreement.

In the event of any liquidation event (defined in the Series B Agreement), to the extent Series B preference shares are not converted into equity shares, the holders of Series B preference shares shall have a preference over the other shareholders of the Company (including the founders and the other shareholders and any remaining equity shareholders, including the investors' equity shares) for return of capital as set out in the Series B Agreement.

(ii) Series C preference shares

The Company has issued 414,039 Convertible Cumulative Participative Preference Shares (CCPS) of Rs. 5 each at a premium of Rs. 964.11 per share (partly paid-up of Rs. 1 each aggregating Rs. 4.14 lakhs) to Grand Anicut 2 as per the Shareholders Agreement dated 22 July 2023 and amended Shareholders Agreement dated 29 September 2023 (collectively 'the Series C Agreements'). As per the amended Shareholders Agreement dated 29 September 2023, the unpaid monies for the Series C preference shares shall be called by the Board of the Company, at its sole discretion and further it is agreed that the Company shall not as an obligation but only on best endeavour basis provide exit to the investor upon receipt of request from the investor.

Each Series C preference share has a par value of Rs. 5 and is convertible at the option of the shareholders into Equity shares of the Company on receipt of final investment amount as specified in the Series C Agreements in the ratio of one equity share for each Series C preference share held. In the event the conversion option is not exercised by the shareholders, preference shares will be automatically converted into one equity share for every one Series C preference share held upon the first occurrence of: (a) Liquidity event in the Company as specified in the Series C Agreements; (b) one day prior to the expiry of five years from the date of receipt of final investment amount. The preference shares carry a dividend of 0.01% per annum. The dividend rights are cumulative. In addition, Series C preference shares are entitled to participate pari-passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on an as-if converted basis. Till such time that the Series C preference shares remain partly paid, the dividend payable shall be apportioned and paid proportionately to the amounts paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

Subject to the Subscription Shares being fully paid up, in the event of occurence of a liquidation event (other than a liquidity event defined in the Series C Agreements), the investor shall be entitled to receive, in preference to the Promoter, the higher of: (i) an amount equal to one time of the investment amount plus any accrued and unpaid dividends; or (ii) any amounts to be distributed on a pro-rata basis amongst all shareholders. In the event the proceeds from liquidation are inadequate to pay the amounts in full to the Series C preference share holders, the entire proceeds from liquidation shall be granted to the Series C preference share holders. It is clarified that the Series C preference share holders shall be entitled to the preference on and from the date on which the subscription shares are fully paid up.

c (i) Issued equity capital

Equity shares of Rs. 5 each issued, subscribed and fully paid	Number of shares (in lakhs)	Amount
As at 1 April 2022	38.05	190.27
Changes during the year*	2.63	13.12
As at 31 March 2023	**40.68**	**203.39**
Changes during the year	-	-
As at 31 March 2024	**40.68**	**203.39**

* During the year ended 31 March 2023, the Company allotted 262,500 equity shares of Rs. 5 each aggregating Rs. 13.12 lakhs, consequent to the exercise of stock options by employees of the Company under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010".

c (ii) Issued convertible preference shares of Rs. 5 each issued and fully paid

Series B mandatorily convertible cumulative participative preference shares of Rs. 5 each issued, subscribed and fully paid	Number of shares (in lakhs)	Amount
As at 1 April 2022	0.38	1.90
Changes during the year	-	-
As at 31 March 2023	**0.38**	**1.90**
Changes during the year	-	-
As at 31 March 2024	**0.38**	**1.90**

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15 Share capital (continued)

c (iii) Issued convertible preference shares of Rs. 5 each issued and partly paid

Series C mandatorily convertible cumulative participative preference shares of Rs. 5 each issued, subscribed and partly paid (partly paid-up, Rs. 1 each paid-up)	Number of shares (in lakhs)	Amount
As at 1 April 2022	-	-
Changes during the year	-	-
As at 31 March 2023	-	-
Changes during the year	4.14	4.14
As at 31 March 2024	**4.14**	**4.14**

d Shares held by holding company and its subsidiary

	As at 31 March 2024		As at 31 March 2023	
Out of equity and preference shares issued by the Company, shares held by its holding company and its subsidiary are as below:	Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
Axiscades Technologies Limited, a Holding Company				
-Equity shares	23.64	118.21	23.56	117.81
- Series B preference shares	0.38	1.90	0.38	1.90
Explosoft Tech Solutions Private Limited, a fellow subsidiary	16.79	83.97	16.79	83.97

e Details of shareholders holding more than 5% shares:

	As at 31 March 2024		As at 31 March 2023	
Name of the Shareholder	Number of shares (in lakhs)	% holding in the class	Number of shares (in lakhs)	% holding in the class
Equity shares of Rs. 5 each, par value				
Axiscades Technologies Limited, a Holding Company	23.64	58.12%	23.56	57.92%
Explosoft Tech Solutions Private Limited, a fellow subsidiary	16.79	41.28%	16.79	41.28%
Series B mandatorily convertible cumulative participative preference of Rs. 5 each, par value				
Axiscades Technologies Limited, a Holding Company	0.38	100.00%	0.38	100.00%
Series C mandatorily convertible cumulative participative preference of Rs. 5 each, par value				
Grand Anicut Fund 2	4.14	100.00%	-	0.00%

f The Company has not issued any bonus shares or bought back any shares during the period of five years immediately preceding the reporting date.

g The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date.

h **Shares reserved for issue under options**
For details of shares reserved for issue under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010", please refer note 41.
For details of shares reserved for issue on conversion of convertible preference shares, refer note "Terms/ rights attached to preference shares" above.

i **Details of shares held by promoters**
As at 31 March 2024

Promoter Name	No. of shares in lakhs at the beginning of the	Change during the year	No. of shares in lakhs at the end of the year	% of total Shares	% change during the year
Equity shares of Rs. 5 each, par value					
Axiscades Technologies Limited	23.56	0.08	23.64	58.12%	0.34%
Explosoft Tech Solutions Private Limited	16.79	-	16.79	41.28%	0.00%
Series B mandatorily convertible cumulative participative preference of Rs. 5 each, par value					
Axiscades Technologies Limited	0.38	-	0.38	100.00%	0.00%

As at 31 March 2023

Promoter Name	No. of shares in lakhs at the beginning of the	Change during the year	No. of shares in lakhs at the end of the year	% of total Shares	% change during the year
Equity shares of Rs. 5 each, par value					
Axiscades Technologies Limited	16.33	7.23	23.56	57.92%	44.31%
Explosoft Tech Solutions Private Limited	16.79	-	16.79	41.28%	0.00%
Anees Ahmed	2.95	(2.95)	-	0.00%	-100.00%
Series B mandatorily convertible cumulative participative preference of Rs. 5 each, par value					
Axiscades Technologies Limited	-	0.38	0.38	100.00%	100.00%
Anees Ahmed	0.25	(0.25)	-	0.00%	-100.00%
Rajeev Ramachandra	0.13	(0.13)	-	0.00%	-100.00%

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16 Other equity

	As at 31 March 2024	As at 31 March 2023
Securities premium	1,193.70	1,193.70
Equity contribution by preference and equity share holders on relinquishment of rights	941.65	941.65
Capital reserve	1,414.44	1,414.44
Capital redemption reserve	45.73	45.73
General reserve	55.30	55.30
Retained earnings	18,828.63	13,938.61
Foreign currency translation reserve	166.61	148.61
	22,646.06	17,738.04

Refer Consolidated Statement of Changes in Equity, for movement in other equity

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the

Equity contribution by preference and equity share holders on relinquishment of rights

Represents the liability foregone by certain equity and preference share holders on relinquishment of buyback rights.

Capital redemption reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital

Capital reserve

Represents payment made by the AXISCADES Technologies Limited, a Holding company, for cancellation of options which were granted but not vested and options promised but not granted under the "Mistral Solutions Private Limited Employee Stock Option Plan 2010".

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through transfer of net income for the purpose of issuance of bonus shares.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to the Consolidated Statement of Profit and Loss.

17 Provisions

	As at 31 March 2024	As at 31 March 2023
Non-current		
Employee defined benefits liability		
- Provision for gratuity (refer note 38)	15.11	12.84
- Provision for compensated absences	148.02	128.66
	163.13	141.50
Current		
Employee defined benefits liability		
- Provision for gratuity (refer note 38)	99.95	77.09
- Provision for compensated absences	27.67	23.39
Provision for foreseeable loss on contracts *	22.97	22.97
Provision for warranty **	171.38	125.44
Provision for liquidated damages ***	748.07	783.94
	1,070.04	1,032.83

* The provision is created to provide for expected losses in the project based on the expected cost overruns. These provisions are expected to be utilized over a period of one year.

** Provision for warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods. These provisions are expected to be utilized over the period of warranty.

*** Provision for liquidated damages relates to estimated outflow in respect of products sold by the Group and estimated to be incurred due to delay in delivery of products to customers. These provisions are expected to be utilized over a period of one year.

The disclosure of provisions movement as required under the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:

	Provision for foreseeable losses on contracts	Provision for warranty	Provision for liquidated damages
As at 1 April 2022	3.59	74.65	648.86
Provisions made during the year	21.33	171.19	883.01
Reversal made during the year	-	-	(520.58)
Utilizations during the year	(1.95)	(120.40)	(227.35)
As at 31 March 2023	22.97	125.44	783.94
Provisions made during the year	10.50	182.70	1,518.29
Reversal made during the year	-	-	(1,426.90)
Utilizations during the year	(10.50)	(136.76)	(127.26)
As at 31 March 2024	22.97	171.38	748.07

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18 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 18A below)	77.72	135.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,598.10	2,156.91
Accrued expenses	312.26	157.07
	1,988.08	2,449.82
Trade payables to other parties	1,986.84	2,449.82
Trade payables to related parties (refer note 37)	1.24	-
	1,988.08	2,449.82

Trade payables ageing schedule

As at 31 March 2024

	Accrued expenses	Not due	Outstanding for the following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues of micro enterprises and small enterprises	0.20	65.73	11.79	-	-	-	77.72
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	312.06	1,391.07	206.02	-	1.21	-	1,910.36
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	312.26	1,456.80	217.81	-	1.21	-	1,988.08

As at 31 March 2023

	Accrued expenses	Not due	Outstanding for the following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed dues of micro enterprises and small enterprises	-	38.57	95.18	-	0.09	2.00	135.84
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	157.07	1,479.67	591.74	85.50	-	-	2,313.98
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	157.07	1,518.24	686.92	85.50	0.09	2.00	2,449.82

Trade payables are non-interest bearing and are normally settled in 0-60 day terms.
For terms and conditions with related parties, refer note 37.

18A Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	77.72	135.84
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, ...	-	-
The amount of the payments made to micro and small enterprises beyond the appointed day during each accounting year	46.47	64.84

Notes:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 and 31 March 2023 has been made in the financial statements based on information received and available with the Group.

The Group has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

19 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
(carried at amortised cost)		
Dues to employees	717.97	571.50
Other payables	86.93	9.66
(carried at FVTPL)		
Option Premium on fair valuation of derivative (refer note 42)	-	565.18
	804.90	1,146.34
Breakup of financial liabilities carried at amortised cost		
Trade payables (Current) (refer note 18)	1,988.08	2,449.82
Lease liabilties (Non-current and current) (refer note 33)	1,416.21	470.43
Other financial liabilities (Current) (refer note 19)	804.90	581.16
	4,209.19	3,501.41

20 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Statutory liabilities	504.59	286.72
Contract liabilities		
- Advances from customers	2,041.56	2,605.03
- Unearned revenue	1,117.23	925.75
	3,663.38	3,817.50

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21 Revenue from contract with customers

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	32,853.52	27,533.64
Other operating revenue	272.56	673.73
Total revenue from contracts with customers	**33,126.08**	**28,207.37**

A. Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by market or type of customers, timing of revenue recognition and geography.The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Type of goods or service

	Year ended 31 March 2024	Year ended 31 March 2023
Product sales		
Sale of products	19,880.82	13,053.94
System engineering and traded sales	3,427.37	4,594.68
Sale of services		
Professional engineering services	9,545.33	9,885.02
Other operating revenue		
Other operating income *	272.56	673.73
	33,126.08	28,207.37

* Input availed on import of FOC materials shipped by cutomers and duty paid by them

Primary Geographical Markets

Geography	Year ended 31 March 2024	Year ended 31 March 2023
India	19,164.34	13,833.67
Outside India	13,689.18	13,699.97
	32,853.52	27,533.64

Timing of revenue recognition

	Year ended 31 March 2024	Year ended 31 March 2023
Goods or services transferred at point in time	23,128.01	18,139.62
Goods or services transferred over time	9,725.50	9,394.02
	32,853.52	27,533.64

Note : The amount of Rs. 272.56 lakhs (31 March 2023: Rs. 673.73 lakhs) pertaining to other operating revenue has not been considered in the above revenue disclosure.

B. Contract balances

	As at 31 March 2024	As at 31 March 2023
Trade receivables	7,183.93	5,537.11
Contract assets	3,230.85	4,082.64
Contract liabilities	3,158.79	3,530.78

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 31 March 2024, (Rs. 18.88) lakhs (31 March 2023: Rs. 15.79 lakhs) was recognised as (reversal)/provision for expected credit losses on trade receivables. As at 31 March 2024, the Group has provision for expected credit losses of trade receivables of Rs. 59.29 lakhs (31 March 2023: Rs. 78.17 lakhs).

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Contract assets mainly relates to revenue earned from professional engineering services. As such, the balances of this account vary and depend on the quantum of engineering services at the end of the year. Retention money receivable from customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

Contract liabilities include short-term advances received for sale of products and to render engineering services in the future as well as transaction price allocated to performance obligations not yet completed.

In case of long - term contracts payment is generally due upon completion of milestone as per terms of contract. In certain contracts, short-term advances are received before the performance obligation is satisfied. Advance from customers pertain to balance received as advance from various parties as certain percentage of the order value. The same will be adjusted against the order on the basis of delivery and collection of receivables. There is no significant financing component for those contracts where the customer pay in advance as per the terms of the contract.

C. Performance obligation

Information about the Group's performance obligations are summarised below:

Professional engineering services

The performance obligation is satisfied over-time and payment is generally due within 30 to 90 days from the date when the related services are rendered.

Sale of products and System engineering and traded sales

The performance obligation is mainly satisfied upon delivery of the promised goods and payment is generally due within 30 to 90 days from delivery.

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21 Revenue from contract with customers (continued)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

Time Band	Year ended 31 March 2024	Year ended 31 March 2023
Within one year	5,134.58	5,881.12
More than one year	45.00	-
	5,179.58	5,881.12

D. Changes in unbilled revenue or contract assets are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	4,082.64	3,595.38
Additions during the year	9,379.84	9,919.96
Reclassification adjustments:		
- Billing from opening balance of contract assets to trade receivables	(2,815.98)	(1,377.58)
- Billing from contract assets transferred to trade receivables	(7,415.65)	(8,055.12)
Closing balance	3,230.85	4,082.64

E. Changes in deferred revenue or contract liabilities are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	3,530.78	2,362.88
Additions during the year	318.48	1,468.45
Reclassification Adjustments:		
- Transfer of opening balances of contract liabilities to revenue	(690.47)	(300.55)
Closing balance	3,158.79	3,530.78

F. Reconciliation of revenue from contracts with customers

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contracts with customers as per the contract price	33,031.84	27,896.07
Adjustments made to contract price on account of :-		
a) Liquidated damages	(91.39)	(362.43)
b) Interest charged by customer on advances given	(86.93)	-
Revenue from contracts with customers as per the Statement of Profit and Loss	32,853.52	27,533.64

22 Other income

Interest Income		
- from fixed deposit	85.79	99.28
- from financials assets carried at amortised cost	15.94	15.63
- from intercompany desposits to related parties	278.24	6.16
- from others	16.74	20.18
Net gain on financial asset measured at fair value through profit and loss	110.90	83.15
Provisions/liabilities no longer required, written back	2.02	-
Reversal of loss allowance on trade receivables (net)	18.88	-
Gain on dilution of control in subsidiary (refer note 6)	235.94	-
Exchange differences (net)	-	7.94
Miscellaneous income	5.93	4.32
	770.38	236.66

23 Cost of raw material and components consumed

Inventory at the beginning of the year	4,871.13	3,311.62
Add: Purchases	13,776.76	11,575.77
	18,647.89	14,887.39
Less: Inventory at the end of the year	(5,244.18)	(4,871.13)
	13,403.71	10,016.26

24 Purchase of stock-in-trade

Purchases of traded goods	2,267.79	3,419.82
	2,267.79	3,419.82

25 Changes in inventories of finished goods, work-in-progress and traded goods

Opening inventory		
Work-in-progress	818.08	793.51
Finished Goods	656.90	428.07
Stock-in-trade	147.77	174.71
	1,622.75	1,396.29
Closing inventory		
Work-in-progress	1,080.88	818.08
Finished Goods	401.30	656.90
Stock-in-trade	100.62	147.77
	1,582.80	1,622.75
(Increase)/ decrease in inventory		
Work-in-progress	(262.80)	(24.57)
Finished Goods	255.60	(228.83)
Traded goods	47.15	26.94
	39.95	(226.46)

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26 Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	8,921.64	8,146.14
Contribution to provident and other funds	454.84	388.39
Gratuity expense (refer note 38)	82.20	77.65
Leave compensation/ compensated absences	23.64	8.19
Share based payment expense (refer note 41)	-	403.14
Staff welfare expenses	154.63	207.50
	9,636.95	9,231.01

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the code came into effect on 3 May 2023. However, the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

27 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liability measured at amortised cost	0.06	1.43
Interest on Lease Liability	82.77	71.92
Interest on customer adavance	15.88	-
Others	-	6.49
	98.71	79.84
28 Depreciation and amortisation expense		
Depreciation on property plant and equipment (refer note 4)	277.66	258.27
Depreciation on right of use assets (refer note 33)	406.89	386.81
Depreciation on other intangible assets (refer note 5)	83.77	51.40
	768.32	696.48
29 Other expenses		
Travelling and conveyance	369.17	341.67
Rent (refer note 33)		
- Immovable property	55.97	39.39
- Equipment hire	208.50	242.14
Legal and professional fees	376.98	414.67
Repairs and maintenance		
- Plant and machinery	31.35	49.52
- Others	202.61	193.32
Software subcription charges	175.63	117.62
Power and fuel	89.69	80.47
Bank charges	73.33	44.76
Communication costs	26.14	27.99
Advertising and sales promotion	42.18	59.73
Rates and taxes	25.48	19.64
Insurance	24.38	33.74
Advances written off	-	0.40
Provision for warranties, foreseeable losses on contracts and others (net of reversals)	-	19.37
Loss allowance on trade receivables	-	15.79
Freight and forwarding charges	39.49	14.65
CSR expenditure (refer note 35)	56.52	53.81
Loss on sale of property, plant and equipment (net)	3.65	2.37
Exchange differences (net)	30.56	0.02
Miscellaneous expenses	61.92	52.28
	1,893.55	1,823.35

Payment to Auditors

As auditor:		
Audit fee	50.00	25.00
Other services	-	24.50
In other capacity:		
Reimbursement of expenses	-	3.96
	50.00	53.46

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30 Income-tax

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

Consolidated statement of profit and loss:

Profit or loss section

	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax:		
Current income tax charge	1,456.85	1,190.63
Deferred tax:		
Attributable to origination and reversal of temporary differences	(8.97)	(22.40)
Income tax expense reported in the statement of profit and loss	**1,447.88**	**1,168.23**

OCI section

Deferred tax related to items recognised in OCI during the year:

	Year ended 31 March 2024	Year ended 31 March 2023
Re-measurement losses on defined benefit plans	4.86	0.43
Deferred tax charged to OCI	**4.86**	**0.43**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	5,787.18	3,403.73
At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%)	1,456.52	856.65
Non-deductible expenses for tax purposes:		
Expenditure incurred on cancellation of Employee stock option plan	-	283.02
Others	(8.64)	28.56
At the effective income tax rate of 25.02% (31 March 2023: 34.32%)	**1,447.88**	**1,168.23**
Income tax expense reported in the statement of profit and loss	1,447.88	1,168.23

Deferred tax

Deferred tax relates to the following:	**Consolidated Balance Sheet**		**Consolidated statement of profit and loss**	
	31 March 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**
Impact of difference between depreciation charged for financial reporting and expenses allowed for tax purposes	50.49	56.65	(6.16)	(3.33)
Lease liabilities	356.46	120.28	236.18	30.82
Right-of-use assets	(354.30)	(110.76)	(243.54)	(37.23)
Non-deductible expenses for tax purpose allowed on payment basis	61.00	32.16	28.84	(1.83)
Other items	24.11	25.60	(1.49)	34.40
Net deferred tax assets	**137.76**	**123.93**		
Deferred tax income			**13.83**	**22.83**

Reconciliation of deferred tax asset (net)

	Year ended 31 March 2024	Year ended 31 March 2023
As at 1 April	123.93	101.10
Tax income during the period recognised in profit or loss	8.97	22.40
Tax income during the period recognised in OCI	4.86	0.43
As at 31 March	**137.76**	**123.93**

31 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to the equity shareholders	4,339.30	2,235.50
Less: Dividend on fully convertible cumulative participative preference shares	0.00	0.00
Less: Profit attributable to fully convertible cumulative participative preference shares	99.04	21.06
Profit attributable for basic earnings	4,240.26	2,214.44
Add: Adjustment for the purpose of diluted earnings per share	99.04	21.06
Profit adjusted for the effect of dilution	4,339.30	2,235.50
Weighted average number of equity shares for basic EPS	40,67,870	39,95,647
Effect of dilution:		
Weighted average number of convertible preference shares	95,015	38,000
Weighted average number of equity shares adjusted for the effect of dilution	41,62,885	40,33,647
Earnings per share:		
- Basic	104.24	55.42
- Diluted	104.24	55.42

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

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32 Contingent liabilities and Commitments

32.1 Contigent liabilities

	As at 31 March 2024	As at 31 March 2023
Claims against the Group not acknowledged as debt:		
Income tax matters [see note (i) below]	337.62	210.06
Other legal matters [see note (ii) below]	79.81	79.81
Financial guarantees		
Bank Guarantees	4,243.99	3,762.61
	4,661.42	4,052.48

Notes:

(i) In respect of tax matters, the Group is contesting the tax litigations in respect of various years from FY 2008-09 to FY 2021-22 for several disallowances made by the tax authorities. The Management, including its tax advisors, belives that it's position will likely to be upheld at various forums where the matters are pending. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) The Group had received a frivolous claim and based on the advise of its legal counsel, the Group is of the view that the outcome of these proceedings will not have a materially adverse effect on its financial position and accordingly, no provision is recognised in the financial statements.

(iii) During the year, the Group is one of the corporate guarantor and has issued a corporate guarantee to Vistara ITCL (India) Limited ("Debenture Trustee") on behalf of the Holding Company, AXISCADES Technologies Limited, amounting to Rs. 21,000 lakhs (31 March 2023: Nil).

32.2 There are no capital and other commitments as at 31 March 2024 and 31 March 2023.

33 Leases

Group as a lessee

The Group has lease contracts for vehicles and immovable properties used in its operations. Leases of vehicles generally have lease terms between 3 and 5 years, while immovable properties generally have lease terms between 3 to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The Group also has certain leases of machinery and testing equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Immovable	Vehicles	Total
As at 1 April 2022	962.46	25.97	988.43
Additions	224.79	-	224.79
Depreciation expense	(365.59)	(21.22)	(386.81)
Exchange difference	0.35	-	0.35
As at 31 March 2023	822.01	4.75	826.76
Additions	1,374.50	-	1,374.50
Depreciation expense	(402.14)	(4.75)	(406.89)
Deletions	(386.72)	-	(386.72)
As at 31 March 2024	1,407.65	-	1,407.65

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	31 March 2024	31 March 2023
As at 1 April	470.43	614.77
Additions	1,323.66	216.37
Accretion of interest	82.77	71.92
Payments	(460.65)	(432.63)
As at 31 March	1,416.21	470.43
Current	372.51	301.17
Non-current	1,043.70	169.26

The weighted average incremental borrowing rate for lease liabilities is between 8.40% - 10.40% per annum, with maturities between financial year 2025-2031 for leasehold properties

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31 March 2024	31 March 2023
Less than three months	124.98	104.29
Three to twelve months	369.23	216.88
One to five years	1,187.96	149.26
More than five years	41.14	111.74

The following are the amounts recognised in the statement of profit or loss:

	31 March 2024	31 March 2023
Depreciation expense of right-of-use assets	406.89	386.81
Interest expense on lease liabilities	82.77	71.92
Expense relating to short-term leases (included in other expenses)	264.47	281.53
	754.13	740.26

The Group had total cash outflows for leases of Rs. 725.12 lakhs for the year ended 31 March 2024 (31 March 2023: Rs. 714.16 lakhs). The Group has made non-cash additions of Rs. 1,374.50 lakhs (31 March 2023: Rs 224.79 lakhs) and Rs. 1,323.66 lakhs (31 March 2022: Rs. 216.36 lakhs) to right-of-use assets and lease liabilities, respectively. There are no future cash outflows relating to leases that have not yet commenced.

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34 i) Details of non current investments purchased and sold:

a) Non current investments purchased and sold during the current year

	As at 1 April 2023	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2024
Investments in real estate fund	200.86	-	(16.96)	(21.27)	-	162.63

b)Non current investments purchased and sold during the previous year

	As at 1 April 2022	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2023
Investments in real estate fund	203.92	-	(6.55)	3.49	-	200.86

ii) Details of current investments purchased and sold:

a) Current investments purchased and sold during the current year

	As at 1 April 2023	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2024
Investments in mutual fund	2,453.21	11,180.00	(10,981.44)	132.17	-	2,783.94

b) Current investments purchased and sold during the previous year

	As at 1 April 2022	Purchased during the year	Sold during the year	Changes in fair value	Reclassification	As at 31 March 2023
Investments in mutual fund	309.34	8,975.00	(6,899.97)	68.84	-	2,453.21
Investments in other fund	500.35	-	(511.17)	10.82		-

35 Details of CSR expenditure

		31 March 2024	31 March 2023
Gross amount required to be spent by the Group during the year		57.66	46.62
Amount approved by the Board to be spent during the year		57.70	47.43
Amount spent during the year ending on 31 March 2024:	In Cash	Yet to be paid in cash	Total
(i) Construction or acquisition of any asset		-	-
(ii) On purposes other than (i) above (refer note 1 below)	57.66	-	57.66
Amount spent during the year ending on 31 March 2023:	In Cash	Yet to be paid in cash	Total
(i) Construction or acquisition of any asset		-	-
(ii) On purposes other than (i) above (refer note 2 below)	47.43	-	47.43
Details of related party transactions		-	-
Details related to spent / unspent obligations:		31 March 2024	31 March 2023
(i) Contribution to Charitable Trust		29.00	26.43
(ii) Contribution to other		28.66	21.00
(iii) Unspent amount in relation to:			
Ongoing project		-	-
Other than ongoing project		-	-

CSR expenditure has been incurred for promoting industrial consultancy and sponsored research, health & poverty.

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35 Details of CSR expenditure (continued)

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)

Opening Balance as at 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2024	
With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

In case of S. 135(5) (Other than ongoing project)

Opening Balance as at 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2024	
With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
-	-	57.66	57.66	-	-	-

Details of ongoing project and other than ongoing project for the year ended 31 March 2023

In case of S. 135(6) (Ongoing Project)

Opening Balance as at 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2023	
With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
-	-	8.71	-	8.71	-	-

In case of S. 135(5) (Other than ongoing project)

Opening Balance as at 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2023	
With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
-	-	46.62	47.43	-	-	-

Notes:

1 It includes Rs. 0.81 lakhs excess spent in previous year ended 31 March 2023.
2 It excludes Rs. 8.71 lakhs related to and not spent in the year ended 31 March 2022 but have spent in the year ended 31 March 2023.
3 Overhead expense of Rs. 2.83 lakhs (31 March 2023 Rs. 2.33 lakhs) incurred towards CSR activities is included in note no 26.

36 Segment reporting

A. Basis for segmentation

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of product support and engineering services. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the material accounting policies.

Segment revenue, results, assets and liabilities figures include the respective amounts identifiable to each of the segments. Other unallocable income net off unallocable expenditure are towards common services to the segments which are not directly identifiable to the individual segments as well as those at a corporate level which relate to the Group as a whole.

The following summary describes the products included in each of the Group's reportable segment:

Reportable segments	Products / Services
Engineering design services	Design and development services covering hardware and software.
Strategic technology solutions	Products, system integration and other solutions.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Year ended 31 March 2024	Year ended 31 March 2023
Segment revenue (revenue from contract with customer)		
a) Engineering design services	12,810.25	13,424.33
b) Strategic technology solutions	20,312.55	14,783.04
c) Unallocable	3.28	-
Total revenue	33,126.08	28,207.37

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36 Segment reporting (continued)

	Year ended 31 March 2024	Year ended 31 March 2023
Segment results		
a) Engineering design services	3,000.28	4,232.53
b) Strategic technology solutions	2,906.55	(277.21)
c) Unallocable	3.28	0.00
Total segment results	5,910.11	3,955.32
Less : Interest expense	(98.71)	(79.84)
Less : Depreciation and amortisation	(768.32)	(696.48)
Add: Other un-allocable income net off un-allocable expenditure	744.10	224.73
Profit before tax	5,787.18	3,403.73
Tax expense	(1,447.88)	(1,168.23)
Profit after tax	4,339.30	2,235.50

	Year ended 31 March 2024	Year ended 31 March 2023
Segment assets		
a) Engineering design services	3,314.51	4,860.43
b) Strategic technology solutions	14,972.90	11,752.60
c) Unallocable	14,225.32	10,682.87
Total assets	32,512.73	27,295.90
Segment liabilities		
a) Engineering design services	1,285.50	2,044.41
b) Strategic technology solutions	5,477.73	5,283.74
c) Unallocable	2,894.01	2,024.42
Total liabilities	9,657.24	9,352.57
Capital expenditure		
a) Engineering design services	-	-
b) Strategic technology solutions	-	-
c) Unallocable	637.74	421.91
Total capital expenditure	637.74	421.91
Depreciation and amortisation expenses		
a) Engineering design services	-	-
b) Strategic technology solutions	-	-
c) Unallocable	768.32	696.48
Total depreciation / amortisation expenses	768.32	696.48

Information by Geographies

Revenue by Geographical Market

	Year ended 31 March 2024	Year ended 31 March 2023
India	19,164.34	13,833.67
Outside India	13,961.74	14,373.70
Total	33,126.08	28,207.37

Segment non current assets*

	Year ended 31 March 2024	Year ended 31 March 2023
India	2,866.07	2,043.01
Outside India	1.86	3.60
Total	2,867.93	2,046.61

* Non current assets are excluding financial instruments and deferred tax assets.

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37 Related party disclosures

Nature of relationship	Name of party
1. Ultimate Holding Company	Jupiter Capital Private Limited
Holding Company	AXISCADES Technologies Limited
Fellow subsidiary	AXISCADES Aerospace & Technologies Private Limited
	Explosoft Tech Solutions Private Limited
	Cades Studec Technologies (India) Private Limited
	AXISCADES UK Limited
Subsidiary companies	Mistral Solutions, Inc., USA
	Mistral Technologies Private Limited
	Aero Electronics Private Limited*
Associate company	Aero Electronics Private Limited*

*Subsidiary till 3 September 2023 and associate thereafter (refer note 6)

2. **Name of other related parties as per Ind AS 24 with whom transactions have taken place during the year:**

Managing Director	Anees Ahmed (till 22 December 2022)
Director	Rajeev Ramachandra (stepped down w.e.f. 22 December 2022 and reappointed on 2 February 2023)
Chief Executive Officer and Director	Mujahid Alam (stepped down w.e.f. 22 December 2022 and reappointed on 2 February 2023)
Director	Arun Krishnamurthy (appointed w.e.f. 15 December 2023)
Director	Shashidhar SK (appointed w.e.f. 1 December 2022)
Director	Srinivas A (till 30 November 2022)
Director	Sharadhi Chandra Babu Pampapathy
Director	Ashok Radhakrishna Kamath (till 4 June 2022)
Independent Director	Anuradha (appointed w.e.f. 3 June 2022)
Independent Director	Mariam Mathew
Chief Financial Officer	Anoop Agarwal

3. **Transactions with related parties:**

Nature of transactions	Relationship	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from contract with customers			
Professional Engineering Services			
AXISCADES UK Limited	Fellow subsidiary	382.66	25.17
AXISCADES Technologies Limited	Holding Company	19.32	-
Other Income			
Interest Income			
AXISCADES Technologies Limited	Holding Company	233.12	-
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	45.12	6.16
Expenses incurred on behalf of			
AXISCADES Technologies Limited	Holding Company	112.02	600.00
Explosoft Tech Solutions Private Limited	Fellow subsidiary	-	0.25
Purchase of goods/services			
Cades Studec Technologies (India) Private Limited	Fellow subsidiary	6.46	-
Advertisement and business promotion			
AXISCADES Technologies Limited	Holding Company	-	20.62
Insurance expenses			
AXISCADES Technologies Limited	Holding Company	-	11.37
Cancellation & Settlement of ESOPs (refer note 41)			
AXISCADES Technologies Limited	Holding Company	-	1,414.44
Option Premium on fair valuation of derivative (refer note 42)			
AXISCADES Technologies Limited	Holding Company	(565.18)	565.18
Loans given			
AXISCADES Technologies Limited	Holding Company	3,500.00	-
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	500.00
Key management personnel compensation			
Short-term employee benefits		557.84	973.09
Post-employment defined benefit*		23.12	22.48

4. **Balances as at the year end:**

		31 March 2024	31 March 2023
Trade Receivable			
AXISCADES UK Limited	Fellow subsidiary	283.74	21.48
Trade Payables			
Cades Studec Technologies (India) Private Limited	Fellow subsidiary	1.24	-
Recoverable for reimbursement of expenses			
AXISCADES Technologies Limited	Holding Company	-	600.00
Remuneration payable	Key Management Personnel	116.92	51.41

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37 Related parties (continued)

Loans to related parties

31 March 2024

Particulars	Opening balance	Loans given	Received	Loan outstanding	Interest receivable
AXISCADES Technologies Limited	-	3,500.00	-	3,500.00	192.11
AXISCADES Aerospace & Technologies Private Limited	500.00	-	-	500.00	-

31 March 2023

Particulars	Opening balance	Loans given	Received	Loan outstanding	Interest receivable
AXISCADES Aerospace & Technologies Private Limited	-	500.00	-	500.00	-

*Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of acturial valuation for the Group as a whole and hence invidual cannot be determined.

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan to Holding Company

The loan granted to AXISCADES Technologies Limited is intended for the purpose of meeting their working capital/corporate restucturing. The loan is unsecured and repayable in full in three years. Interest is charged at 11.5%. The loan has been utilized for the purpose it was granted.

Corporate Guarantee to Holding Company

During the year, the Company is one of the corporate guarnator and has issued a corporate guarantee to Vistara ITCL (India) Limited ("Debenture Trustee") on behalf of the Holding Company, AXISCADES Technologies Limited, amounting to Rs. 21,000 lakhs (31 March 2023: Nil).

38 Employee benefits

(a) Defined benefit contributions

The Group makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ended 31 March 2024 : Rs. 454.84 lakhs (31 March 2023 : Rs. 388.39 lakhs).

(b) Defined benefit plans

The Group has provided for gratuity, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of Defined Benefit Obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the trustees.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

a Interest rate risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

b Liquidity risk

This is the risk that the Group is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

c Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d Demographic risk

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e Regulatory risk

Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

Changes in the present value of the defined benefit obligation are as follows	Gratuity	
(i) Reconciliation of present value of defined benefit obligation	**As at 31 March 2024**	**As at 31 March 2023**
Obligations as at the beginning of the year	763.51	765.03
Current service cost	77.20	69.66
Interest cost	54.62	51.16
Benefits paid	(30.35)	(105.94)
Actuarial loss/(gain) arising from change in financial assumptions	19.60	(33.38)
Actuarial loss arising from change in demographic assumptions	-	-
Actuarial loss arising from experience adjustments	23.34	16.98
Defined benefit obligation at the end of the year	**907.92**	**763.51**
(ii) Reconciliation of present value of plan asset:		
Plan assets as at 1 April	673.58	627.00
Expected return on plan assets	49.62	43.17
Return on plan assets (excluding amounts included in net interest expense)	23.62	(18.11)
Contributions by employer	76.39	127.46
Benefits paid	(30.35)	(105.94)
Plan assets at 31 March at fair value	**792.86**	**673.58**

38 Employee benefits (continued)

(iii) Reconciliation of net defined benefit liability	**As at 31 March 2024**	**As at 31 March 2023**
Present value of obligation as at 31 March	907.92	763.51
Plan assets at 31 March at fair value	(792.86)	(673.58)
Benefit liability	115.06	89.93
Non-Current	15.11	12.84
Current	99.95	77.09
2. Components of expense recognised in the Statement of Profit and Loss		
Employee benefit expense:		
-Current service cost	77.20	69.66
Finance costs		
-Interest expense on defined benefit obligation	5.00	7.99
Expenses recognised in the Statement of Profit and Loss for the year	82.20	77.65
3. Components of defined benefit costs recognised in other comprehensive income		
Recognised net actuarial loss/(gain) arising from change in financial assumptions	19.60	(33.38)
Recognised net actuarial loss arising from change in demographic assumptions	-	-
Recognised net actuarial loss arising from experience variance	23.34	16.98
Actual returns on plan assets less interest on plan assets	(23.62)	18.11
Changes in demographic assumptions	-	-
Re-measurement loss in other comprehensive income	19.32	1.71
4. Experience adjustment:		
On plan liabilities loss	23.34	16.98
On plan assets gain / (loss)	23.62	(18.11)
5. Investment details:	**% Invested**	**% Invested**
Insurer managed funds	99.89%	100.00%
Others	0.11%	0.00%
	31 March 2024	**31 March 2023**
6. The principal assumptions used in determining		
Discount factor [Refer note (i) below]	7.20%	7.45%
Estimated rate of return on plan assets [Refer note (ii) below]	7.20%	7.45%
Attrition rate:		
Age related (Service related):		
21-30 Years	20.00%	20.00%
31-34 Years	15.00%	15.00%
35-44 Years	5.00%	5.00%
45-50 Years	3.00%	3.00%
51-54 Years	2.00%	2.00%
55-59 Years	1.00%	1.00%
Salary escalation rate [Refer note (iii) below]	8.00% until years 2, inclusive then 7.00%	8.00% until years 3, inclusive then 7.00%
Retirement age (in years)	60	60

The assumptions were developed by Management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of Government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and Management's historical experience.

7. Maturity profile of defined benefit obligation:		
Within 1 year	111.38	60.74
1-2 year	88.57	70.61
2-3 year	105.51	77.78
3-4 year	54.84	93.11
4-5 year	85.91	43.96
5- 10 year and above	1,601.53	1,477.31

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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38 Employee benefits (continued)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, attrition rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact of change in the defined benefit obligation resulting from the specified percentage change in the aforementioned assumptions.

	31 March 2024	31 March 2023
A. Discount rate		
Discount rate -100 basis points	86.46	76.09
Discount rate 100 basis points	(74.16)	(65.32)
B. Salary escalation rate		
Salary rate -100 basis points	(39.32)	(33.84)
Salary rate +100 basis points	40.13	34.77
C. Morality Rate		
Morality rate -10% basis points	(0.79)	(0.78)
Morality rate +10% basis points	0.78	0.78
D. Leaving Service Ratio		
Attrition rate -50% basis points	(17.79)	(21.98)
Attrition rate +50% basis points	12.64	16.09

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method and assumptions used in preparing the sensitivity analysis from previous years.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.02 years (31 March 2023: 9.19 years).

39 Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Group is in the process of updating the Transfer Pricing documentation for the financial year ended 31 March 2024 following a detailed transfer pricing study conducted for the financial year ended 31 March 2023. In the opinion of the Management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

40 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, lease liabilities, less cash and cash equivalents.

The Group monitors capital on the basis of the following gearing ratio.

Particulars	31 March 2024	31 March 2023
Total debt (including lease liability)*	67.99	-
Total equity	22,855.49	17,943.33
Gearing ratio	0.30%	-

* For previous year, where the total debts are less than cash and cash equivalent, the net debts were shown as Nil.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

41 Share based payments

Employee Stock Option Plan 2010

The Board of Directors of the Group approved the 'Mistral Solutions Private Limited Employee Stock Option Plan 2010' on 15 July 2010 and it is effective from 1 April 2010. The options granted have vesting period in the range of 1 to 4 years.

The movement in the options under the plan is set out below:

Particulars	31 March 2024	31 March 2023
Options outstanding as at beginning of the year	-	3,63,000
Options granted during the year	-	-
Options vested during the year	-	-
Options forfeited during the year	-	-
Options exercised during the year	-	2,62,500
Shares allotted against options exercised during the year	-	-
Options expired/relinquished during the year	-	1,00,500
Options outstanding at the end of the year	-	-
Options exercisable as at the end of the year	-	-
Weighted average price per option (Rs.)	-	5

Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Group has granted Nil option (31 March 2023: Nil option) during the year.

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41 Share based payments (continued)

During the previous year ended 31 March 2023, the Board of Directors have approved cancellation of 100,500 ESOP's which were granted but not vested. Axiscades as a part of the acquisition has paid Rs 1,414.44 lakhs to the employees for the aforesaid cancelled ESOPs and 65,212 promised but not granted ESOP.

The Group in line with the Accounting Standards has recognized Rs 362.61 lakhs as an expense for the cancelled ESOPs which were granted but not vested comprising of the following:

- Rs. 189.49 lakhs – Difference between the amount paid and fair value as on the date of settlement.
- Rs. 173.12 lakhs – Accelerated vesting of cancelled ESOPs.

The difference between the settlement date fair value and grant date fair value of Rs.289.91 lakhs have been charged to other equity. Furthermore, the amount of Rs. 556.62 lakhs paid by Axiscades for promised but not granted ESOP has also been recognized as an expense. The total amount paid by Axiscades amounting to Rs. 1,414.44 lakhs has been recognized as a credit to capital reserve.

42 During the previous year ended 31 March 2023, the holding company AXISCADES Technologies Limited ('AXISCADES') had issued Non-convertible debentures ('NCD') amounting to Rs. 14,500 lakhs to Grand Anicut Fund II ('Investor') for the purpose of completing the acquisition of Mistral Solutions Pvt. Ltd. ('Company'). Consequent to issuance of the NCDs, AXISCADES entered into an investment agreements with the Investor and the same has been ratified by the Board of directors of the Company in its 146th board meeting on 13 March 2023, whereby the Company has granted to Investor the right to subscribe ('warrants') to 4,14,039 partly paid compulsorily convertible preference shares ('CCPS') having a face value of Rs. 5.00/- each, at a price of Rs. 969.11/- at a pre-money equity valuation of Rs. 42,000 lakhs ('specified valuation').

As per the agreed terms of the CCPS, between the Company, AXISCADES and Investor, approved by board of directors of the Company in its 146th board meeting on 13 March 2023, if the Investor has been able to liquidate the NCD within 36 months from the date of allotment, then at any time thereafter, the Investor/CCPS Holder, shall have the right to cause the Company to buy back the securities held by the Investors at fair market value (FMV).

The above warrants have been classified as a derivative financial liability in terms of Ind AS 32. Accordingly, the Company have valued the share warrants as at the transaction date at Rs. 565.18 lakhs and recorded liability through equity.

During the year, the Company has entered into an Amendment to Share Subscription cum Shareholders' Agreement dated 22 July 2023 on 29 September 2023, thereby amending the terms of right of investment by the Investor, wherein the Investor is entitled to invest only upon discretion and consent of the Company and does not have unconditional contractul obligation to buy back these CCPS. Consequent to the aforesaid amendment, the derivative liability of Rs. 565.18 lakhs has been reversed during the year ended 31 March 2024 to equity.

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43 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial information for the year ended 31st March 2024:

Name of the Entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Mistral Solutions Private Limited	90.33%	21,061.19	92.59%	3,940.60	96.47%	(13.94)	92.58%	3,926.66
Indian Subsidiary								
Mistral Technologies Private Limited	3.80%	886.61	1.65%	70.42	3.53%	(0.51)	1.65%	69.91
Indian Associate								
Aero Electronics Private Limited	0.76%	176.60	-0.01%	(0.30)	0.00%	-	-0.01%	(0.30)
Foreign Subsidiary								
Mistral Solutions Inc.	5.11%	1,191.46	5.76%	245.09	0.00%	-	5.78%	245.09
	100%	**23,315.86**	**100%**	**4,255.81**	**100%**	**(14.45)**	**100%**	**4,241.36**
Adjustment arising out of Consolidation		(460.37)		83.49		18.00		101.49
Total		**22,855.49**		**4,339.30**		**3.54**		**4,342.85**

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43 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial information for the year ended 31st March 2023:

Name of the Entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Mistral Solutions Private Limited	88.57%	16,565.21	97.30%	2,175.27	85.85%	(1.10)	97.31%	2,174.17
Indian Subsidiaries								
Aero Electronics Private Limited	2.09%	391.80	-1.85%	(41.40)	0.00%	-	-1.85%	(41.40)
Mistral Technologies Private Limited	4.37%	816.70	2.25%	50.28	14.15%	(0.18)	2.24%	50.10
Foreign Subsidiary								
Mistral Solutions Inc.	4.97%	929.14	2.30%	51.35	0.00%	-	2.30%	51.35
	100%	**18,702.85**	**100%**	**2,235.50**	**100%**	**(1.28)**	**100%**	**2,234.22**
Adjustment arising out of Consolidation		(759.52)		-		69.42		69.42
Total		**17,943.33**		**2,235.50**		**68.14**		**2,303.64**

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44 Financial instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2024, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount						Fair value		
		FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investment in real estate fund	6	162.67	-	-	-	-	162.67	-	162.67	-
Investment in mutual funds	6	2,783.94	-	-	-	-	2,783.94	2,783.94	-	-
		2,946.61	-	-	-	-	2,946.61	2,783.94	162.67	-
Financial assets not measured at fair value										
Loans receivable	7	-	-	-	4,000.00	-	4,000.00	-	-	-
Other financial assets	8	-	-	-	1,428.32	-	1,428.32	-	-	-
Trade receivables	12	-	-	-	7,183.93	-	7,183.93	-	-	-
Cash and cash equivalents	13	-	-	-	1,348.22	-	1,348.22	-	-	-
Bank balances other than cash and cash equivalent	14	-	-	-	597.63	-	597.63	-	-	-
		-	-	-	14,558.10	-	14,558.10	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Particulars	Note	FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities measured at fair value										
Option Premium on fair valuation of derivative	19	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
Lease liabilities	33	-	-	-	-	1,416.21	1,416.21	-	-	-
Trade payables	18	-	-	-	-	1,988.08	1,988.08	-	-	-
Other financial liabilities	19	-	-	-	-	804.90	804.90	-	-	-
		-	-	-	-	4,209.19	4,209.19	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2023, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount						Fair value		
		FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investment in real estate fund	6	200.86	-	-	-	-	200.86	-	200.86	-
Investment in mutual funds	6	2,453.21	-	-	-	-	2,453.21	2,453.21	-	-
		2,654.07	-	-	-	-	2,654.07	2,453.21	200.86	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Particulars	Note	FVTPL	FVOCI	Derivative instruments not in hedging relationship	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities measured at fair value										
Option Premium on fair valuation of derivative	19	-	-	565.18	-	-	565.18	-	-	565.18
		-	-	565.18	-	-	565.18	-	-	565.18
Financial assets not measured at fair value										
Loans receivable	7	-	-	-	500.00	-	500.00	-	-	-
Other financial assets	8	-	-	-	906.95	-	906.95	-	-	-
Trade receivables	12	-	-	-	5,537.11	-	5,537.11	-	-	-
Cash and cash equivalents	13	-	-	-	1,822.14	-	1,822.14	-	-	-
Bank balances other than cash and cash equivalent	14	-	-	-	1,446.63	-	1,446.63	-	-	-
		-	-	-	10,212.83	-	10,212.83	-	-	-
Financial liabilities not measured at fair value										
Lease liabilities	33	-	-	-	-	470.43	470.43			
Trade payables	18	-	-	-	-	2,449.82	2,449.82			
Other financial liabilities	19	-	-	-	-	581.16	581.16			
		-	-	-	-	3,501.41	3,501.41	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a force liquidation sale.

The fair value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value. Investments in equity shares of associate is not appearing as financial asset in the table above being investment in associate accounted under Ind AS 27, Seperate Financial Statements is scoped out under Ind AS 109, Financial Instruments.

Investments in liquid and short- term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

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44 Financial instruments - fair values and risk management (continued)

Valuation technique and significant unobservable input

Type	Valuation technique	Significant unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
Option premium on fair valuation of derivative	Binomial option pricing model	Exercise price per share Risk free rate Sigma range	Rs. 969.10 7.1% 50.6% - 51.8%	These inputs would result in fair value loss on derivative by Rs. 565.18 lakhs

Valuation process
The Corporate finance team has requisite knowledge and skills. The team headed by the CFO directly reports to the audit committee to arrive at the fair value of financial instruments.

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44 Financial instruments - fair values and risk management (continued)

Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's management risk policy is set by the Board. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Groups internal assessment.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, United States of America and Europe. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Group's historical experience for customers.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial assets that are not credit impaired

The Group has financial assets which are in the nature of cash and cash equivalents, other bank balances, loans, security deposits, interest accrued on fixed deposits and other receivables which are not credit impaired. These are contractually agreed where the probability of default is negligible.

Financial assets that are credit impaired

Trade receivables

The Group's exposure to credit risk is influenced mainly by the type of each customer. Since, the receivables from Government entities are sovereign in nature and default rate will be remote, they are excluded from expected credit loss. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are into defense sector or non defense sector, industry, trading history with the Group and existence of previous financial difficulties.

The Group's exposure to credit risk for trade receivables by the type of counterparty is as follows:

Carrying amount	31 March 2024	31 March 2023
Defence sector	5,210.94	3,913.30
Non defence sector	1,748.54	1,680.50
Related parties	283.74	21.48
	7,243.22	5,615.28

The Group has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Out of the total trade receivables of Rs. 7,243.22 lakhs (31 March 2023: Rs. 5,615.28 lakhs) , the exposure considered for expected credit loss is Rs. 2,032.28 lakhs (31 March 2023: Rs. 1,701.98 lakhs). The balance which is not considered for impairment pertains to defence customers where default in collection as a percentage to total receivable is low.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2024			
Current (not past due)	1,254.21	0.23%	2.82
0-90 days	703.26	0.40%	2.83
91-180 days	42.22	62.17%	26.24
181-270 days	4.70	11.10%	0.52
271-365 days	1.54	34.49%	0.53
> 365 days	26.35	100.00%	26.35
	2,032.28		59.29

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2023			
Current (not past due)	1,082.61	0.01%	0.12
0-90 days	321.36	6.90%	22.17
91-180 days	204.72	0.23%	0.47
181-270 days	16.55	0.96%	0.16
271-365 days	-	0.00%	-
> 365 days	55.26	99.98%	55.25
	1,680.50		78.17

Movement in the allowance for impairment in trade receivables	31 March 2024	31 March 2023
Opening balance	78.17	77.17
Amount provided for	21.52	25.43
Amount reversal for	(21.95)	(9.64)
Amount utilised for	(18.45)	(14.79)
Net remeasurement of loss allowance	59.29	78.17

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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44 Financial instruments - fair values and risk management (continued)

The table below provides details regarding the contractual maturities of significant financial liabilities based on contractual undiscounted payment ay year end:

Particulars	As at 31 March 2024			
	Less than 3 months	3 months - 1 year	1-5 years	5 years and above
Derivative financial liabilities				
Other financial liabilities (Option premium on fair valuation of derivatives)	-	-	-	-
	-	-	-	-
Non-derivative financial liabilities				
Lease liabilities	124.98	369.23	1,187.96	41.14
Trade payables	1,988.08	-	-	-
Other financial liabilities	804.90	-	-	-
	2,917.96	369.23	1,187.96	41.14
Total financial liabilities	2,917.96	369.23	1,187.96	41.14

Particulars	As at 31 March 2023			
	Less than 3 months	3 months - 1 year	1-5 years	5 years and above
Derivative financial liabilities				
Other financial liabilities (Option premium on fair valuation of derivatives)	-	-	565.18	-
	-	-	565.18	-
Non-derivative financial liabilities				
Lease liabilities	104.29	216.88	149.26	111.74
Trade payables	2,449.82	-	-	-
Other financial liabilities	1,146.34	-	-	-
	3,700.45	216.88	149.26	111.74
Total financial liabilities	3,700.45	216.88	714.44	111.74

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows.

Particulars	31 March 2024		
	USD exposure	EURO exposure	GBP exposure
Trade and other payables	1,001.37	-	1.69
Trade and other receivables	980.02	214.34	283.74
Net exposure in respect of recognised assets and liabilities	21.35	(214.34)	(282.05)

Particulars	31 March 2023		
	USD exposure	EURO exposure	GBP exposure
Trade and other payables	1,326.72	22.70	0.50
Trade and other receivables	1,209.00	34.70	-
Net exposure in respect of recognised assets and liabilities	117.72	(12.00)	0.50

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar, Euro or GBP against all other currencies as at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
31 March 2024	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	0.21	(0.21)	0.16	(0.16)
EURO (for 1% movement)	(2.14)	2.14	(1.60)	1.60
GBP (for 1% movement)	(2.82)	2.82	(2.11)	2.11
	(4.74)	4.74	(3.55)	3.55

	Profit or loss		Equity, net of tax	
31 March 2023	Strengthening	Weakening	Strengthening	Weakening
USD (for 1% movement)	1.18	(1.18)	0.88	(0.88)
EURO (for 1% movement)	(0.12)	0.12	(0.09)	0.09
GBP (for 1% movement)	0.01	(0.01)	0.00	(0.00)
	1.07	(1.07)	0.79	(0.79)

Price risk

The Group invests in mutual funds schemes of leading fund houses. Such investments are suspectible to market price risks. However, given the short tenure of the underlying portfolio of the mutual fund sheemes in which the Group has invested, such price risk is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group does not have any long term debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

45 Ratio Analysis and its elements

The ratios have not been disclosed in the consolidated Ind AS financial statements pursuant to the guidance under the Revised Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI").

This space has been intentionally left blank.

S. R. Batliboi & Associates LLP Bengaluru

Mistral Solutions Pvt. Ltd. Bangalore

46 Other statutory information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group do not have any transactions with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) None of the entities in the Group have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

47 The Holding Company, subsidiary and associate which are companies incorporated in India and whose financial statements have been audited under the Companies Act, 2013 have complied with the requirements of audit trail except for the following:

i) The Holding Company and subsidiary company has migrated to an upgraded version of accounting software from legacy accounting software during the year effective from 19 June 2023. The audit trail feature in respect of the legacy accounting software is not enabled. The upgraded accounting software used for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there is no instance of audit trail feature being tampered with in respect of upgraded accounting software.

ii) The audit trail feature is not enabled for accounting software used for inventory management in respect to Holding Company.

48 Events after the reporting period
There are no events or transactions which have occured since the balance sheet date which would have a material effect and require adjustments in the consolidated financial statement

49 Standards notified but not yet effective
There are no standards that are notified and not yet effective as on the date.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

S. R. Batliboi & Associates LLP Bengaluru

Sunil Gaggar
Partner
Membership Number: 104315

Place: Bengaluru, India
Date: 08 May 2024

for and on behalf of the Board of Directors of
Mistral Solutions Private Limited
CIN : U72200KA1999PTC025232

Rajeev Ramachandra
Director
DIN: 00178796

Place: Phoenix, USA
Date: 08 May 2024

Mujahid Alam
Chief Executive Officer and Director
DIN: 02651595

Place: Los Angeles, USA
Date: 08 May 2024

Anoop Agarwal
Chief Financial Officer

Place: Bengaluru, India
Date: 08 May 2024

Mistral Solutions Pvt. Ltd. Bangalore