

Building a self-reliant india



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Forward-looking statement

In this annual report we are presenting some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





CORPORATE SNAPSHOT

Data Patterns (India) Limited.

Possessing a rich experience in Avionics, Naval systems, COTS boards and fibre-optics, among others. Equipped to develop 'Made In India' solutions, reduce imports and effectively participate in the emerging Indian Defence eco-system. Making Data Patterns India's premium Defence and Aerospace electronic solutions company.

Our Vision



- Be a leading Indian Defence and Aerospace Company, enabling India's self-reliance in the Defence sector
- Establish India's footprint in the global Defence market
- Build a socially conscious business by creating value for our customers, employees and all stakeholders

Our Mission



To build world-class products and integrated solutions leveraging experience alongside modern technology to enhance customer satisfaction and investor value.

Our Core Values



- Reliability
- Trustworthiness
- Commitment
- Competence
- Passion for excellence
- Ownership and accountability
- Integrity

Our Background



Our Company was incorporated as Indus Teqsite Private Limited on November 11, 1998, at Bangalore, Karnataka, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka, at Bangalore. Subsequent to the merger with our erstwhile subsidiary, the name of our Company was changed to Data Patterns (India) Private Limited and a fresh certificate of incorporation dated August 4, 2021 was issued by the Registrar of Companies, Tamil Nadu. Our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders at the Extraordinary General Meeting held on August 12, 2021 and the name of our Company was changed to Data Patterns (India) Limited. A fresh certificate of incorporation, consequent upon conversion to a public limited company, was issued by the Registrar of Companies on September 13, 2021. Data Patterns (India) Limited subsequently got its equity shares listed on BSE Limited and National Stock Exchange Limited on December 24, 2021, through an Initial Public Offering. The issue size of the IPO was INR 648.22 Crore with INR 300 Crore as fresh allotment of shares and INR 348.22 Crore through an Offer for Sale by the existing shareholders. Primary allotment consisted of INR 60 Crore of private placement and INR 240 Crore through the IPO.

Our Uniqueness



Data Patterns is a leading player in India's Defence and Aerospace industry. The Company is respected for its proprietary capabilities: design to manufacture, testing to validation and support for products throughout the life cycle. Data Patterns is the only Indian company in the Defence and Aerospace sectors to offer complete systems.

Data Patterns' core competence covers the entire spectrum of electronics including Processors, Power, RF and Microwave, Embedded Software and Firmware. This unique capability allows the Company to offer complete solutions, an area addressed only by international OEMs.

Data Patterns has succeeded in building products in high technology domains such as Radars, Electronic Warfare (EW), Communications, Satellite Systems, Video, Control Systems and Navigation, besides others. It is one of the few Indian companies offering indigenously developed products catering to the entire spectrum of Defence platforms – space, air, land, and sea. The Company established its quality management system in line with the demanding standards of AS9100 Rev. D by TUV-SUD, an internationally acclaimed certification.

Our Team Work



The Company comprised 888 employees as on March 31, 2022, marked by competencies across domains. About 211 people had been with the Company for more than a decade as on March 31, 2022.

Our Infrastructure



Data Patterns' modern manufacturing facility consists of 2,00,000 square feet factory built on 5.75 acres of land in SIPCOT IT Park, Chennai. It has facilities for design, manufacturing, qualification and life cycle support of high reliability electronic systems used in Aerospace and Defence applications.

The facility includes an EMS line, clean rooms, board, box and rack level integration capability and environmental testing to cater to the requirements of quality and complex production.

Data Patterns is in the process of upgrading and expanding the current facility, with a proposed doubling of available floor area and manufacturing capacity, as well as addition of capability of handling large and heavy equipment, integration of large radars and mobile electronic warfare systems, satellite integration facility. The new infrastructure is slated to be ready by September 2022.

Data Patterns is also in the process of acquiring an additional 2.81 acres of adjacent land for further expansion.

Our Order Book



498.0

INR Crore, March 31, 2021

476.1

INR Crore, March 31, 2022

Expansion	Existing Facility Enhancement
Large Systems Integration Hangar	Design & Development Facility
Complete Radar Integration	Additional Space For Design and Development Resources
Electronic Warfare Vehicle Integration	Clean Room for Satellite Integration
Additional Test Facility	Additional EMS Line
Augmented Environmental Test Infrastructure	
Multi Ton material handling	

Awards & Recognition



IESA and NASSCOM Deftronics Award in 2016.

Award by the Society of Indian Aerospace Technologies and Industries (SIATI) in 2017 for outstanding contribution and achievements in the Defence and Aerospace sectors

Institute of Directors' Professional Excellence Award in 2019 from the Governor of Tamil Nadu Mr. Banwarilal Purohit.

TiECON Made in India Award in 2016.

Project Leader Award by Project Management Associates for a leadership role in the successful design development and installation of the world's first 205 MHz Stratosphere Troposphere Wind Profile Radar in 2018.

Alagappa Chettiar College of Technology Distinguished Alumni Award for the year 2020 – 2021, was conferred upon Mr. S Rangarajan, CMD of Data Patterns (India) Limited by Mr. R N Ravi, Governor of Tamil Nadu in 2021.

Significant product achievements



Second Launch Pad Countdown System

- The Launch Countdown System for ISRO (Sriharikota) was designed and developed for the first time in India by Data Patterns.
- The system has operated without any downtime for nearly two decades.
- The Launch Pad and Countdown facilities have been configured with indigenously designed electronic solutions.
- More than 95% of the flight systems / components are tested using indigenous test solutions developed by Data Patterns.



Fire Control Systems

The Fire Control System for Brahmos was designed for the first time in India by Data Patterns.

Air Version Launcher for BrahMos on Sukhoi-30

The Company developed the Air Version Launcher for the prestigious BrahMos project on Sukhoi-30.

Other Electronic Systems for BrahMos

The Company developed Other Electronic Systems for BrahMos, enhancing its respect as dependable Indian solutions provider for prestigious national projects.



Radar Upgrades

Data Patterns upgraded six Tracking Radars for ISRO with contemporary electronics and software algorithms that were developed within the Company.

Coastal Surveillance Radar

Data Patterns designed and developed a Coastal Surveillance Radar for ISRO; the nature of the projects was the first in India.

LLTR Phased Array Radar

Data Patterns developed most of the electronics including the phased array antenna of the LLTR Phased Array Radar.

RF Power Transmitters

Data Patterns developed RF Power Transmitters.

Test equipment

Data Patterns designed and developed a number of test equipment for the first time in India - Sea King ATE, Laser Guided Bomb Kit Tester, Digital Flight Control Computer, Generic RF ATE, Satellite Bus Management System and Brahmos Missile Checkout Equipment.



Electronic Warfare Suite

Data Patterns developed a Wide Band Fast Scan Receiver Exciter, 3-Channel Monitoring Receiver, Airborne Direction Finder, V/UHF Monitoring Receiver, V/UHF Search Receiver and Jammer Power Amplifier.

Range of indigenous Avionics and Flight Systems

Data Patterns developed Flight Control & Actuator Controller for Nirbhay UAV, Signal processing unit for Jet Trainer, Flight Control for RUSTOM UAV, Torpedo Actuator Controller and Missile Actuator Controller.

Data Patterns designed the Doppler Velocity Sensor (DVS) for Helicopters, which will be flight-tested shortly.



Satellites

Data Patterns developed its first Nano satellite (NUSAT) that was subsequently deployed; it demonstrated redundant Defence quality as a part of a student satellite programme.



Data Buoy & Tsunami-Warning System

Data Patterns developed a Data Buoy and Tsunami-Warning System used in the following applications: wind speed and direction, atmospheric pressure; air temperature, humidity and conductivity; sea surface temperature; current speed and direction and wave parameters; water quality parameters and subsurface temperature. The system is equipped with GPS, beacon light and satellite transceiver as well as lithium / lead acid battery with a solar charger.



Precision Approach Radar

This radar was designed and developed for the first time in India comprising the following: T/R Modules, Pedestal System, Antenna, Radar Computer, Radar Algorithms, Power Supplies, Display Consoles, Shelter and Chiller as well as Integrated testing.



Avionics Display

Data Patterns designed and developed Smart Standby Display Unit for LCA, Smart Display Unit for IJT, 4 ATI Display Unit for IJT, Foldable Display for Chetak, etc.

Light Utility Helicopter Cockpit Display

Data Patterns developed a Smart Cockpit Display and Data Interface Unit.

CHAIRMAN'S OVERVIEW



“At Data Patterns,
we are attractively
placed to
capitalise on an
unprecedented
opportunity.”

S. Rangarajan, Chairman and Managing Director

The Company has designed complete systems supported by proprietary domain intellectual property (electronic modules and mechanical systems), complementing 'Designed in India' with 'Make in India'.

Overview

I am proud to communicate for the first time with our larger family of shareholders following the Company's initial public offer in 2021.

India's defence and space sectors are passing through an inflection point and your Company is attractively placed to capitalize on this unprecedented opportunity.

This optimism is reflected in the profitable growth reported during the last financial year.

Revenues grew 39% to a record INR 315 Crore (higher than the projected INR 300 Crore); EBITDA growth was higher at 53% while PAT increased 69% to INR 94 Crore, the highest in the Company's existence. These numbers validate the robustness of the Company's business model and capacity to deliver a disproportionately higher bottom-line growth for increases in revenue.

This growth in absolute numbers was also accompanied by improved financial hygiene. The Company reported a 400 bps increase in EBITDA margin to 46%, the highest in the Company's existence. The fact that the Company's gearing strengthened from 0.16 to 0.01 indicates that the business is being grown entirely with net worth. The increase in interest cover from 11 to 23 is a measure of our enhanced liquidity. The Company reported a cash profit of INR 105.65 Crore during the year under review, a sizable corpus available for reinvestment. The Company also finished with INR 117.08 Crore of cash on its books as on March 31, 2022, a robust foundation on which to build the business, address wider opportunities and grow faster.

Inflection point

India's Defence sector is emerging as one of the most attractive sectorial opportunities in the world - for the size and sustainability of the opportunity.

India was the third largest defence equipment spender in the world in 2021; the country was also the world's largest arms importer. India will continue to be among the world's largest spenders on its defence and space sectors; as the country's high economic growth sustains through the decade and after, there could be a larger greater allocation for its defence needs.

Besides, India is located in a geo-politically sensitive part of the world, sharing borders with China, Pakistan, Bangladesh, Nepal and Myanmar. The northern tip of the country is one of the world's most militarily sensitive regions, warranting a growing Defence outlay. A progressive investment in Defence is proving to be an effective deterrent to international conflict. In view of this, Defence sector spending is not only needed for India but is being increasingly viewed as necessary for global peace.

The Indian defence and aerospace segment is anticipated to grow from USD 63.7 Billion in 2021 to an estimated USD 70 Billion by 2030; the cumulative revenue generation opportunity for the Indian defence sector of USD 306.95 Billion between 2021 and 2030 represents one of the largest such opportunities in the world.

Turning inwards

One of the most decisive changes to have transpired within India's defence sector is the decision of the Indian government to moderate the import of defence equipment and source it increasingly from domestic manufacturers instead.

Over the next few years, India will shift the needle: the country intends to moderate

imports and seek a larger proportion of its defence and space requirements from within. As an extension of the Make in India (Atmanirbhar) priority, the Indian government opened Defence equipment manufacture to Indian players by banning the import of a range of equipment.

The government banned the import of 101 Defence products; the DRDO announced the indigenisation of 108 systems and sub-systems. These announcements represent the most decisive initiatives by any Indian government to promote the cause of India's defence sector.

The outcome of these decisions have been extensive. Even as their implications are only nascent and their full outcome will perhaps be significantly visible by the end of the decade, the first signs are already evident. Tender sizes have increased and the order books of defence product manufacturers are beginning to grow; defence players have embarked on capital investment programmes; the sectorial employment base is beginning to widen.

We are encouraged that the national leadership continues to emphasise its commitment to indigenization. The Indian Prime Minister has repeatedly spoken of the country's 'addiction to imports', a policy driven need to wean the country off international equipment and graduate towards the use of world-class indigenous equipment, which could create a larger eco-system. This eco-system will attract long-term players and start-ups; we foresee the emergence of a vibrant innovation invested sector; we see more interest drawn into this space; we see more defence product manufacturing companies going public and strengthening their access to long-term funds; we see the gradual evolution of India's Defence sector to the global playing field; we see this transition empower Indians to achieve

the full potential of their knowledge, entrepreneurship and economies.

The result is that across the course of the decade, one may begin to see 'Designed by India. Made in India' emerging as an important theme across the country's Defence sector.

Prepared

At Data Patterns, we are prepared for this exciting future.

One, every part that we manufacture is designed within our Company, resulting in an integrated operation that maximises value addition.

Two, we are focused on building complete systems, which immediately graduates us into an exclusive league of companies who sit at the national high table by the virtue of being not merely component manufacturers but complete solution providers.

Three, in a rapidly transforming world where new competencies will be required, our Company possesses the credibility, visibility and liquidity to enter into business strengthening partnerships with global technology providers. We also possess the competence to progressively absorb these techniques, strengthening our captive knowledge pool.

Four, we are a profitable Company with a growing order book and adequate cash on our books to weather any unforeseen order slowdowns. Besides, our cost structure is lower by the virtue of an extensive inhouse integration.

Five, a large number of our products have been validated by DRDO, facilitating their inclusion in our overall solution.

Six, when the government insists on 'proof of design' in India, we will stand a better chance of carving away a superior market share on account of our complete integration from the design stage forwards.

Building a stronger company

At Data Patterns, we are not complacent with what we have; we are engaged in building a stronger Company with proactive responsiveness to capitalize on the unfolding sectorial opportunity.

We will deepen our presence in the area of space and full satellites, catalyzing the country's priority.

We will continue to focus on the creation of distinctive intellectual property and build entire systems as a base strategy while exploring multiple market segments.

We will deepen collaborations with international companies where a large part of the proprietary design is complemented with outsourced design, resulting in lower costs, quick turnarounds and superior solutions. We already possess inhouse design capabilities for Automatic Test Equipment (ATE) for certification and testing of developed/produced equipment; we possess an inhouse EMS line and Environmental Testing Facility for easy debugging, ease of manufacture, quality control and delivery; we possess Quality Assurance / Quality Control capabilities with documentation discipline and in-house training. We will continue to design products with DRDO, embracing large complex solutions involving digital, RF and domain level contributions with software with the objective to carve out a large DRDO wallet share.

We build systems for all platforms (space, air, land and sea); we have worked on prominent projects for marquee customers and enjoy national respect within our sector.

We possess specialization in the electronics segment; we are focusing on building large equipment inhouse, capturing the complete value chain.

We are focusing on large contracts that enhance our capacity utilization and ensure superior cost amortization.

We will address large Ministry of Defence orders where it would be possible for us to reuse existing designs, shrinking our time-to-market.

We expect to derive a larger percentage of revenues from manufacturing / repeat contracts rather than development contracts that usually take longer, strengthening our cash flows.

We will nurture and grow a large eco-system of competencies, making it possible for us to respond quickly and competently to customer needs.

We will recruit engineers following a gap analysis and train them with the objective to be opportunity ready, which could empower us to grow around 4x.

We have been empowered with certifications for DO 254, DO 178, IV&V (independent validation and verification for flight certification approval) and knowledge of all MIL Standards and design to meet the standards including EMI/EMC, Lightning protection, etc.

We expect that our expanded infrastructure of around 100,000 sq ft, equipped to build full systems, will be ready from the second half of the current financial year.

In view of these realities, we are in the right place at the right time with the right capabilities.

Optimism

The Ministry of Defence is showing a preference for complete systems and solutions, covering capital acquisitions, repair and upgrades. India's Defence sector is evolving from the manual to electronic and digitalized interventions. The quantum of legacy equipment that will need to be replaced, coupled with fresh buying, will be vast.

I am optimistic that the market for systems is opening out to us, graduating us from components to larger systems play where we possess rich experience.

In the past, the Company succeeded amidst global competition against the best companies and the time has come to carve out a larger national and global presence.

Following the pandemic, which was marked by supply chain challenges, there is a greater awareness for national self-sufficiency – especially in the Defence sector - which makes the presence of Data Patterns more relevant.

The Company has designed complete systems supported by proprietary domain intellectual property (electronic modules and mechanical systems), complementing 'Designed in India' with 'Make in India'.

The Space Policy provides clarity on the country's medium-term direction; by the virtue of having invested in this space across the last decade, we are prepared for the emerging opportunities.

As we grow from this point onwards, the revenue lumpiness that was visible in the past could yield to a gradual smoothening.

I am optimistic that the INR 476 Crore order book as on March 31, 2022 (INR 498 Crore on March 31, 2021) could be liquidated in the next two years in addition to more orders being addressed, enhancing value for all the stakeholders associated with our Company.

S. Rangarajan

Chairman and Managing Director

COMPETITIVE ADVANTAGE

At Data Patterns, readiness comes from a robust foundation of pioneering achievements

Data Patterns comprises more than 450 engineers in the specialised areas of design and engineering

Data Patterns is the only Indian Defence and Aerospace company offering building blocks to end systems

Data Patterns is the only Indian company with design capabilities covering the entire spectrum of electronics, including processors, power, RF and microwave, embedded software and firmware

Data Patterns possesses robust domain knowledge in the areas of radar, electronic warfare, communications, satellite systems, video control systems, video, control systems and navigation

Data Patterns has a range of qualified products available for prospective production contracts

Data Patterns is a process-driven company with certified infrastructure

Data Patterns' successful public issue, oversubscribed 119 times, stands testimony to the acceptance of the company by the public as one of the key players in the design, development and manufacture of Critical Defence Systems in the private sector

CORE COMPETENCE

At Data Patterns, readiness also comes from an extensive electronics domain knowledge across platforms

Overview

India accounts for the world's third largest army, fourth largest air force and seventh largest navy. The country is the world's fourth largest Defence spender. Ironically, only around 30% of the equipment used by the armed forces is manufactured within India. Defence companies the world over benefit most from India's rising expenditure to protect itself.

With an increasing quantum of Defence equipment being digitalised, the electronics segment of the Defence sector is being seen by many as an attractive play. The size of this 'niche' system of systems, a web of technologies, has been estimated at USD 28.7 Billion.

India Electronics and Semiconductor Association (IESA), the trade body representing the Indian electronic system design and manufacturing space, has envisioned India as a prominent player in the design and manufacturing of electronics systems by 2025, with electronics representing the core of every manufactured product.

IESA has tied up with the National Association of Software & Services Companies (Nasscom) and Munich-based consultancy Roland Berger to estimate the size of the electronic opportunities available in India's Defence sector. The result of the survey was a staggering USD 55 Billion opportunity in Defence electronics waiting to

be tapped as per a 2018 estimate (indicating that the figure has only increased since). There is a second estimate that is even more staggering: a probable USD 4-5 Billion gap in the country's ability to supply Defence equipment and demand.

A leading industry expert estimated that the market opportunity for Defence electronics in India would be around USD 70-72 Billion in a decade. This would result in the development of the next frontier of technology, comprising plasma-based rocket technology, stealth technology and deep technology to address military applications

Our product portfolio



COTS Boards

Built in adherence with open architecture standards, the Company designs COTS module products that are used in rugged applications and automatic test equipment platforms.

The open standard form factors comprise cPCI, FMC & XMC, IP, MM, PCI, PCMCIA, PMC, VME, VPX and VXI, etc. The COTS product provides the technological capability to develop systems level products around short turnaround tenures.



ATE and Test systems

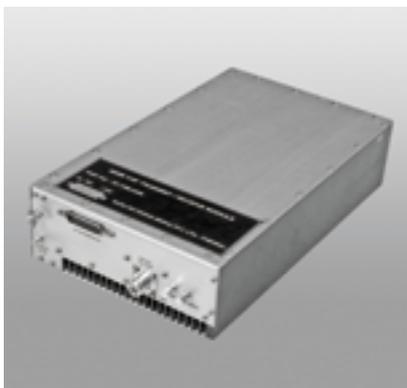
Data Patterns' longstanding business has comprised the development of Automated Test Equipment for critical Aerospace requirements.

Projects executed include the following: Avionics Suite Tester, BrahMos Checkout, Digital Flight Control Computer, Go No Go testers, Power Module Tester, Generic RF ATE, Cable Harness Test System, Bus Management Unit, Count Down Test System, INTU ATE, Redundant Strap Down INS ATE, Scan Mirror Test, Strain Data Acquisition System and Laser Guided Bomb Tester, among others.



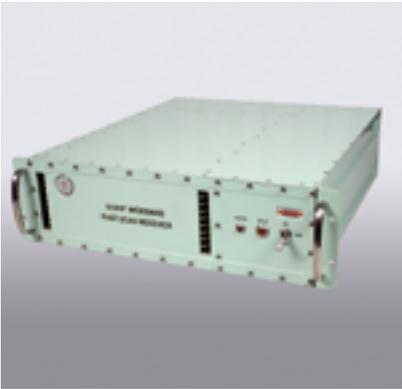
Space Systems

Data Patterns manufactures a number of products for space applications at its ISRO-approved manufacturing facility in line with customer specifications. These include nano satellite, ground station, ATE for space systems and launch pad automation at SDSCSHAR.



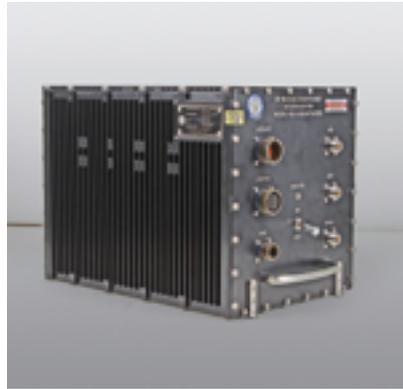
Radio Frequency and Microwave

Data Patterns has a strong Radio Frequency and Microwave engineering capability. This comprises engineering talent, forward-looking investments in RF test and measuring instruments and competence to deploy latest technologies. A growing need for Radar, Electronic Warfare and Communication domains has empowered Data Patterns to develop a range of building blocks such as TR Modules, Up and Down Converters, Power Amplifiers, Transmitters, Filters, Combiners and Dividers.



Electronic Warfare

Data Patterns developed state-of-the-art integrated solutions for spectrum monitoring, wide band searching, ECM and ESM, direction finding for airborne and ground mobile application standard products such as VHF/UHF Search Receiver, HF Search Receiver, Monitoring Receiver and Jammers.



Identify friend or foe

Data Patterns designs and manufactures a range of STANAG 4193-compatible products for airborne and ground applications (Transponders, Interrogators, Combined Interrogator & Transponders, 'O' and 'I' Level Testers).



Radar and Radar sub-systems

Data Patterns provides a variety of complete Radars and Radar sub-systems. These comprise Airborne Central Unit for an Early Warning Radar, qualified for aircraft LRU standards, Multifunctional Airborne Radars, Bird and Drone Detection Radars, Tracking Radars, Phased Array Antenna Components, Wind Profile Radar, Doppler Weather Radar and Coastal Surveillance Radar.



Cockpit and Rugged displays

Data Patterns offers a range of multi-function rugged LCD displays for rotary and fixed-wing aircraft. The current range extends from 3" to 20" units. All Avionics displays offer leading-edge functionality including on-board smart processing and internal and external sensors support video formats (RS170, Stanag 3350, PAL, VGA, DVI, ARINC 708 and ARINC 818 standards). The integration of the latest NVIS technologies and the optical stack-up facilitates high brightness, high contrast sunlight readable screens with minimised reflection, combined with low power consumption.



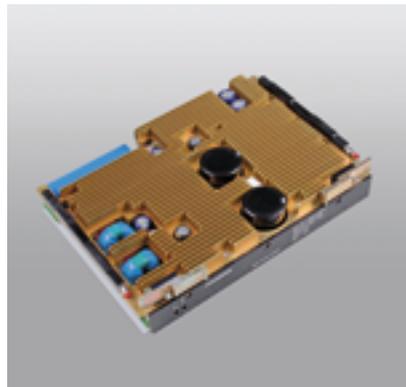
Avionic systems

Data Patterns designed, prototyped, qualified and manufactured products for airborne applications in manned and unmanned aircraft. Data Patterns has delivered the largest number of qualified LRUs designed in India from a single source. The Company's products incorporate the latest techniques from thermal engineering and mechanical ruggedisation with obsolescence management and long-term support.



Communication products

Data Patterns designs and manufactures standard communication products for most military protocols like MIL-STD-1553B, ARINC-429, ARINC-708 and RS422. A spread spectrum modem is available for terrestrial and satellite communication requirements. These products are designed primarily for on-board interfaces in Avionic systems and also for Automatic Test Equipment.



Power supply equipment

Data Patterns manufactures power supply equipment of various ratings for air, naval, ground and space applications. These products are implemented in VPX, VME, cPCI and custom-form factor designs. Most products are benchmarked to demanding MIL-STD-461C and MIL-STD-810D requirements or the equivalent JSS 55555. Airborne versions are designed to meet MIL-STD-704D. Specific design constraints are handled with respect to long-time storage life and suitability for air-cooled or conduction-cooled applications.



Naval systems

Data Patterns designs and manufactures a number of naval products for naval shipyards, including Garden Reach Shipbuilders & Engineers Ltd. and Mazagon Dock Limited.



Laser and electro optical system

Data Patterns developed and manufactured a range of electro-optical products for surveillance, imaging and testing requirements.



Console

Data Patterns provides system level consoles for a number of programmes.



Fibre optics

Data Patterns utilises fibre optic communication for high speed data transfer requirements around protocols like Serial FPDP, Aurora, PCI Express and Gigabit Ethernet on Fibre Optic Medium. Solutions using DWDM and EDFA components for high density fiber optic communication solutions are implemented.



Digital IF processors & waveform generators

Data Patterns provides these products through modern high-speed digitisers and digital-to-analog converters; these are backed by FPGA-based processing that implements baseband tuning and high speed I&Q vector generation algorithms. These find application in real-time signal processing, electronic waveform generation, digital tuners and communication products.



High speed processors

Data Patterns has developed a state-of-the-art line-up of high-end processing modules utilising fast multi-core processor-based architecture as well as FPGA-based processing engines. These are used for Radar Signal Processing, Image Processing and similar requirements. Processors are available in VPX as well as older VME and cPCI architectures.



Navigation system

Data Patterns designed and manufactured Fibre Optic Gyrobased inertial measurement units for underwater applications with all algorithms, including Kalman filters and co-ordinate transformations.



Software and application products

Data Patterns developed standard software solutions for the automation of test equipment application development (DP-CUTE), software development and debugging in multi-processor environment (DP-CHRONO).

Some of our products that redefine self-reliance in India



C-Band Doppler Weather Radar



Monopulse RF Seeker



X-Band Doppler Weather Radar



Wind Profile Radar



Software Defined Radio - Next Gen



Radar Warning Receiver - Next Gen



Radar For Airborne Platforms



COMINT - Next Gen



Defence Satellites

What Data Patterns' employee shareholders feel about working at a passionate and inspiring company



"Data Patterns provides talent with opportunity from different parts of India and not only metro cities. The Company is an equal opportunity provider to succeed in a cutting-edge domain in modern India."

Karthick R,
Senior Manager, Human Resource Development



"I have been with Data Patterns from 1995 and took a break in 1998 on account of my pregnancy. When I re-joined after a year, I was offered the same designation and respect. I have seen this company grow from 20 to more than 600 employees. I head a team of 162 members (earlier only six)."

A.P Soorimala,
General Manager - Production



"Data Patterns emphasises gender equality. There is no gender bias here; a number of women occupy senior positions. We are given opportunities based on our performance. Unlike other organisations, female employees directly go for pitch meetings to demonstrate products or for preliminary discussions with prospective clients."

Andal N,
Deputy General Manager - Quality Assurance and Control



"My favourite memories of Data Patterns are of successful product launches. Four years ago, we launched a nano satellite and were eagerly waiting and checking at the power station. Then it generated the first response. We were elated beyond imagination."

Ramesh M,
Manager Technology



"I am a cancer survivor, had two surgeries for colon cancer two years ago and I am proud to say that Data Patterns gave me a lot of support in terms of leave and insurance. When I was cleared by the doctor, I had to work for two weeks wearing a belt, but following that my recovery was quick as I was at a place I loved."

Chitra,
AGM - ADM & Staff welfare



"One of the most professionally satisfying things about working at Data Patterns is that we are our own competition. With the success of every product launch, we break our previous record in terms of performance and quality. If one is a fresher wanting to do something different and not a regular 9-to-5 job, then this is the place for that person!"

Mariappan S,
Manager Technology



"I was once suffering from health issues and since I was away from home and without my family, I was compelled to take leave for a few days. When I returned, the MD enquired about my absence. I told him about how alone I felt without my family. He said: 'Why would you say that you are alone? We are there for you. If you face any problem we are here to help you. Always!'"

Kingshuk Mitra,
Manager, Technology



I am privileged to be a part of the wealth creation process and it has shown that long-term commitment and hard work pay off. The IPO process has shown the real market value of our work in the defence and aerospace product development. The IPO process motivated us to perform beyond market expectations and scale our organization further.

KV Muni Prasad,
Assistant General Manager-Technology



"At Data Patterns, we do not just take a customer's brief and deliver. We suggest superior solutions that can potentially take the client's interests ahead."

Kuppu Swamy G,
Vice President, Business Development



I was uplifted by the shares that were given to me. It's always nice to be appreciated financially! Since I've joined the company in 2003, it has been an adventure as well as a learning experience. Data Patterns provides abundant opportunity. I feel so fortunate to work for a company that encourages its employees to keep addressing new goals and gives them the support and tools to do so.

Senthil Kumar J,
*Associate General Manager
Technology*



"Data Patterns is a completely transparent organisation with no politics. This encourages us to always do what is good for the Company and customers. Something that I am proud of is when I was in charge of the Precision Approach Radar from scratch. We completed trials without any costs to our customers. What really stood out was our superiority over our American competitors. We were awarded the project for delivering at a much lower cost."

Cdr (Retd) Ramesh V N,
General Manager, Programs



"When I was expecting a baby, I was on a four month maternity leave but felt that I needed more time. I approached my Director for extended leave; she agreed without hesitation. To this date, when I convey this to my friends, my eyes moist. Through such instances, Data Patterns has established an emotional attachment with its employees. The Company is not merely respected; it is loved."

Jayanthi Devarajan,
Manager, HR Development



Healthy organizations are good for business, good for employees and good for society. We are privileged and honoured to be a part of a great organization.

G.Soundara Pandiyan,
Senior Manager - Projects



"As soon as I joined this company in May 2008, I was assigned a major project. The best thing about this organisation is that if you give your best then rewards arrive your way in a similar fashion."

Jagannathan J,
Sr. Manager - Projects



"I have been 19 years with Data Patterns only due to the trust, motivation, guidance and freedom."

S. Raja,
*Senior Manager (Supply chain
management)*

Senior Management Team



Mr. S. Rangarajan, Chairman and Managing Director

A Masters from IITM, fueled by a burning desire to become a technocrat led him to found Data Patterns in 1985. A recipient of many awards instituted by the Govt and industry, he is a sought after member of CII, FICCI and IDAT, to name a few, and is involved in several

forums and think tanks for policy making in the Industry.



Mrs. Rekha Murty Rangarajan, Whole-time Director

A Masters in Advance Applied Psychology from Madras University. With a very significant industry experience and being a Promoter since its inception, it was but natural that she became an integral part in the growth of Data Patterns as a Whole-time

Director by Heading Human Resource Development, Administration, Process Engineering, Special Projects and Facility Maintenance.



Mr. Desingurajan P, Chief Technology Officer

An outstanding Electronics Engineer and a rational thinker with a keen sense of analytical skills came aboard Data Patterns in 1990 to fulfill his dream of working in Core Electronics. Desingurajan has spearheaded Product Development for the last 30 years and

currently heads & oversees complete design, development and validation of Data Patterns' entire range of products.



Mr. Vijay Ananth K, Chief Operating Officer and Whole time Director

A Postgraduate in Software with immense knowledge spreading across all Operating Systems joined Data Patterns in 1998 with a passion to make a difference in Core System Software. His dynamic leadership and out-of-the-box thinking soon led

him to take charge of first the entire Software Development Team with additional responsibility of Information Technology. With his focus on project delivery, he became the natural choice to head operations.


Mr. Thomas Mathuram, Chief Marketing Officer

A Post Graduate from IIT Madras, his role is strategic with an eclectic mix of technological solution enabling facets which range from nurturing technical concepts to meet customer specifications. A custodian of the company's marketing collaterals since

joining in 2000, he is responsible for all the bids and proposals submitted by the company to ensure Data Patterns' presence in all relevant enquiries and enhance market share.


Mr. V. Venkata Subramanian, Chief Financial Officer

An experienced practising Chartered Accountant (CA) joined Data Patterns in 2000 to build the Accounts and Treasury Department. With his sincerity, wisdom and a sharp focus on Compliances, current Accounting Standards and a strong rapport with many banks,

he is an able book keeper of the Company's Finance, Accounts, Statutory Compliances and Treasury operations.


Wg Cdr R. Soundararajan, Senior Vice President, Sales & Marketing

A BE (Hons) degree from the (then) Madras University and an M.Tech from IIT- Kharagpur. Has been with Data Patterns with over 20 years. He has served in IAF, DRDO and BEL, including heading International, Domestic and System Marketing as General Manager

at BEL. With his vast experience and Wisdom he heads the Marketing and Sales Division and is primarily responsible for it's presence in The Market.


Mr. G. Kuppu Swamy, Vice-President, Business Development

A sales professional with a rich experience in marketing & sales in the Electronics domain, prior to joining Data Patterns in 2003. A born salesman and a multi-linguist, he is an asset to the company and can talk for hours before he turns a hesitant customer into a Data

Patterns loyalist. He is responsible for All India sales/business development with a focus on DRDO.


Mrs. R. Nandaki Devi, Deputy General Manager, Quality Assurance and Control

A BTech (ECE) with Advanced Diplomas in Software Quality Assurance, CSQA (Certified Software Quality Analyst) & CSTM (Certified Software Test Manager), lead auditor for ISO9000 certified by TQMI joined Data Patterns in 2001 and has been instrumental in building the

Quality Assurance Team from scratch. As the Management's representative, she has spearheaded the gamut of Quality Process Certifications.

Management discussion & analysis



Global economic review

The COVID-19 crisis continued to impact the first quarter of FY 2021-22 with the delta variant playing havoc, impacting the global economy. While the delta variant reasonably settled in the second quarter, emergence of the Omicron variant in the third quarter created confusion. This year also saw a significant supply side constraint, resulting in an inflationary pressure.

During the beginning of CY22, when the situation had just started stabilizing, we were again back to uncertainty with the Russia-Ukraine crisis that started in February 2022. Multiple sanctions were imposed on Russia, leading to a sharp

increase in global oil and commodity prices that aggravated supply side constraints.

Despite all the above factors, the global economy grew at 6.1% in 2021 compared to a de-growth of 3.1% in 2020 (Source: IMF April 2022 report). This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economy was affected by a shortage of semiconductor chips, prohibitive freight rates and shortage of containers/aircrafts in 2021, affecting economic recovery. Inflation was at its

highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	6.1	(3.1)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Indian economic overview

During the year under review, macro headwinds of the new Covid variant, along with inflation, impacted the Indian economy. However, the Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to a growth of 8.7% in FY 2021-22. By the close of FY 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (Say China). There were positive features of the Indian economy during the year under review.

India attracted the highest annual FDI inflow of USD 83.57 Billion in FY 2021-22, a validation of global investing confidence in India's growth story. The Government of India has been strengthening its focus on 'Atmanirbhar Bharat' and reducing dependence on imports, especially in sectors like defence.

The Government enhanced FDI limit in the Defence sector up to 74% through the automatic route for companies seeking new defence industrial license and up to 100% by the government route wherever it is likely to result in access to modern technology. The Indian government launched a four-year INR 6 Lakh Crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received USD 87 Billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 Billion as on September 3, 2021, crossing USD 600 Billion in foreign exchange reserves for the first time.

Indian economic reforms and Budget 2022-23 provisions

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasizing the role of PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

The capital expenditure target of the Indian government expanded by 35.4% from INR 5.54 Lakh Crore to INR 7.50 Lakh Crore. The effective capital expenditure for FY 2022-23 is seen at INR 10.7 Lakh Crore. An outlay of INR 5.25 Lakh Crore was made to the Ministry of Defence, which is 13.31% of the total budget outlay. Under the Atma Nirbhar Bharat campaign, the Defence sector has been recognized among the core areas to boost 'Make in India'. In a major push towards Atma Nirbhar Bharat in the military sector, the Prime Minister Narendra Modi-led government is going to shelve a number of defence import projects being acquired through the buy (global) route.

This initiative from the government comes at a time when the centre is coming up with the new defence production and export promotion policy, which will lay down the way for strengthening defence production within the country and help in export to friendly countries.

Outlook

The Indian economy is expected to be one of the fastest growing economies in the world. The country is projected to grow by 8% in FY 2022-23, buoyed by tailwinds of consistent agricultural performance, flattening the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should

be about INR 5 Trillion. Besides, the government's production linked incentives (PLI)-led capex should generate an incremental INR 1.4 Trillion in sectors like consumer durables, pharmaceuticals and automobiles.

Indian defence & aerospace segment review

India's defence and aerospace manufacturing market was valued at INR 85,000 Crore in 2021 and is expected to reach INR 1 Lakh Crore by 2022 (Sourcing: Economic Times), driven by a substantial demand for modern infrastructure and government focus. Due to these factors, Indian defence and aerospace segment is expected to reach USD 70 Billion by 2030. The Indian defence market represents accessible cumulative revenue generation opportunity of \$306.95 Billion between 2021 and 2030. India has the second largest armed forces in the world, accounting for 3.7% of the global military spending, making it the third highest military spender in the world. The expenditure on the defence sector constituted 15.5% of the Central Government's budget and nearly 2.1% of India's GDP for FY 2020-21. With a growing demand from the defence sector, the government identified it as one of the core areas to boost 'Atmanirbhar Bharat' or 'Self-reliant India'.

The transformation of India's defence sector from being a net-importer to self-reliance is expected to revolutionize the sector's global positioning. India is among the top 25 defence products exporting nations, according to the Stockholm International Peace Research Institute 2020 report. The government has set a target of INR 35,000 Crore export in aerospace and defence good services by 2024-25 to promote the export of defence items and make India part of the global defence supply chain. The government aims to ensure transparency, predictability and ease of doing business by creating a strong ecosystem and supportive government policies. Towards this end, the government undertook initiatives to de-license, de-regulate,

promote export and liberalise foreign investment. India has exported to more than 75 countries through collaborative efforts and, due to this, defence exports enhanced by 334% in the last five years.

The Indian government has set the defence production target at USD 25.00 Billion by 2025. In order to achieve this target, modernization is required with a focus on cost, time and quality. The Government is looking at all three aspects. The Indian aerospace & defence segment is witnessing a strong push from the government to promote SMEs, public sector undertakings and start-ups. This is expected to benefit the domestic industry in the areas of design, innovation and manufacturing, which is crucial for the country's economic growth. As per data released by the Department for Promotion of Industry and Internal Trade (DPIIT), foreign direct investment (FDI) equity inflow in the defence sector stood at USD 10.15 Million between April 2000 and June 2021. (Source: IBEF, Business Standard, Financial Express)

Outlook

The Indian government is concentrating on innovative solutions to strengthen the country's defence and security through 'Innovations for Defence Excellence (iDEX)', which has offered a platform for start-ups to tie up with the defence establishments and create new technologies and products in the next five years. iDEX has gained attraction by the start-up community as they look forward to participate in the Defence India Start-up Challenge (DISC) programme.

The Defence Ministry aims to achieve 70% self-reliance in weaponry by 2027, offering ample opportunities for industry players. The Government has introduced Green Channel Status Policy (GCS) to promote and encourage private sector investments in defence production, encouraging the importance of private sector in defence production. (Source: IBEF)

Government initiatives

- Defence Acquisition Council (DAC) boosted the 'Make in India' initiative by according Acceptance of Necessity (AoN) to capital acquisition proposals worth INR 7,965 Crore (USD 1.07 Billion) for the modernisation and operational needs of armed forces.
- The Government dedicated the seven defence public sector undertakings (PSUs) created through the restructuring of the Ordnance Factory Board (OFB) to improve functional autonomy, efficiency, growth potential and innovation in the defence sector.
- The Government formulated the 'Defence Production and Export Promotion Policy 2020' to offer impetus to self-reliance in defence manufacturing under the 'Atma Nirbhar Bharat' scheme.
- The government released Defence Acquisition Procedure 2020 (DAP) to transform India into a global manufacturing hub with a focus on indigenously designed, developed, and manufactured weapon systems. The DAP 2020 offset guidelines were revised to incentivise the discharge of offsets with a preference to Indian defence equipment manufacturing companies to manufacture complete defence products (over components or sub-parts).
- The country's Ministry of Defence prepared a list of 209 items (Positive Indigenisation List) for which there would be an embargo on the import beyond the timeline indicated against them, a wide opportunity to the sector to manufacture these items.
- The Government allowed 100% foreign direct investment in the Indian Defence sector, 79% under the automatic route and beyond that through the government route
- Under the Union Budget FY 2022-23, the defence sector was allocated INR 5.25 Lakh Crore compared to INR 4.78 Lakh Crore, growing 10% over the previous year's allocation, registering among the sharpest increases in defence budget in recent years.
- In the Union Budget FY 2022-23, the Government has set aside 25% of the defence R&D budget for start-ups and private entities in the FY 2022-23.
- Under the Union Budget FY 2022-23, 68% of the capital procurement budget will be earmarked for the domestic industry in 2022-23, an increase from 58% in the previous budget
- The Government aims to set up an independent nodal umbrella body for meeting wide-ranging testing and certification requirements.
- The capital budget allocation for DRDO has increased by 5.3% from INR 11,375 Crore to INR 11,981.81 Crore that is expected to catalyze the efforts of indigenous research & development projects.
- The Government has set up a provision for formation of Special Purpose Vehicle (SPV) for the design, development & production of major defence equipment that will ensure concurrent engineering and production in faster timelines.
- The Department of Space has been allocated INR 13,700 Crore in Budget 2022, which is more than INR 1000 Crore compared to last year's budgetary announcements.
- In the defence sector, the Strategic Partnership (SP) model envisaged the establishment of long-term strategic partnerships with defence manufacturing companies in India through a transparent and competitive process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains. (Source: Economic Times, Financial Express, IBEF, Business Standard)

Big numbers

2.1

% of GDP spent on defence (FY 2021-22)

15

% share in global arms import

5.25

INR Trillion, Union Budget allocation to the defence sector (FY 2022-23)

19

% increase in defence capital expenditure (FY 2021-22)

Budgetary allocation for the Ministry of Defence

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 (Budgetary estimate)
Defence services (Revenue)	2,23,240.83	2,24,351.76	2,38,717.09	2,39,743.71
Capital outlay	1,11,092	1,34,304.92	1,38,850.90	1,52,369.61
Defence pensions	1,17,810	1,28,065.88	1,16,878	1,19,696

Source: Ministry of Finance. All figures in INR Crore

Global rocket propulsion market size (USD Billion)



(Sources: Expert market research.com)

Military expenditure as a % of GDP

Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
India	2.1%	2.4%	2.38%	2.51%	2.51%	2.41%	2.5%	2.47%	2.54%	2.65%
USA	3.5%	3.2%	3.1%	3.1%	3.2%	3.2%	3.4%	3.8%	4.2%	4.5%
Russia	4.1%	3.87%	3.72%	4.23%	5.45%	4.86%	4.10%	3.84%	3.68%	3.42%
World	2.08%	2.20%	2.17%	2.19%	2.23%	2.26%	2.26%	2.31%	2.38%	2.42%

Sources: (Times of India, Macro trends, Statista, World Bank, Aviation pros.com, Orfonline. org)

Growth drivers

India is comprehensively reversing the trend of over-reliance on imports through indigenous capacity building. The country has outlined a detailed policy roadmap, supported by concentrated ground actions to boost domestic production in the defence and aerospace sector. This indigenous capacity building is expected to enhance the growth of the Indian defence sector

- India has set up dedicated defence corridors in various States to utilize and enhance the existing defence manufacturing eco-system in these regions. These corridors will become the growth drivers of the defence industrial base in the country
- The Ministry of Defence removed limitations on procurement norms, making it easier for Indian companies

and start-ups to deliver equipment and components to the army

- Launch of draft SPACE COM policy and the government's permission related to the entry of the private sector in the development of satellites and launch vehicles
- India expects to enhance its share in the global space economy from less than 2% at the moment to 10%.

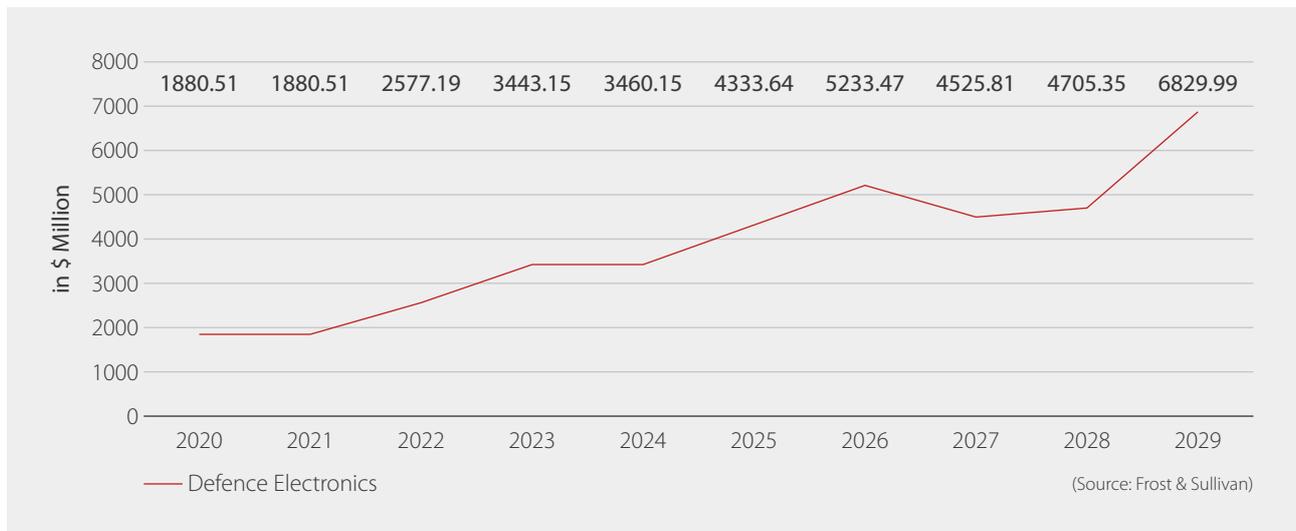
- ISRO's announcement to provide ~70% mandate of all upcoming space missions to private players over five years
- The global space industry attracted investments of \$ 17 Billion in 2021 growing from \$9 Billion in 2020. Space investment accounted for 3% of total global venture capital flows.
- The Indian space sector could ride the global space industry, projected to generate \$1 Trillion revenues by 2040
- Increased use of space launch vehicles for satellites and testing applications, inception of space tourism and development of satellite internet system

Indian defence electronics market review

The Indian defence electronics market size was pegged at \$1.88 Billion in 2021 and is anticipated to reach \$ 6.99 Billion by 2030. The market grew at a CAGR of 4.5% between 2016 and 2020.

The defence electronics segment will see extensive indigenization over the next decade. From both manufacturing and quality stand points, Indian defence electronics are becoming increasingly embedded into global defence supply chains. Currently, electronic components made in India are used in Israel, USA and European combat aircraft. Defence electronics make up 25-35% the cost

of most platforms used by the Indian Armed Forces. Accordingly, platform recapitalisation programmes across all three forces such as new combat aircraft acquisition, submarine building and T-72 replacement will be key contributors to future market valuation of this product segment. Currently, over 60% of the electronic components used in Indian defence equipment are supplied by foreign OEM. However, with the recent increased impetus on indigenization, future contracts will see a greater proportion of defence electronics being sourced locally. The cumulative market opportunity for the defence electronics segment is expected to be approximately \$ 39 Billion.



Company overview

Data Patterns ('Data Patterns' or the 'Company') is a market leader in indigenously developed electronic systems in the Defence and Aerospace domain of India. The Company's major strength is its 30-year legacy of creating high reliability products through its broad manufacturing capabilities in this domain. Data Patterns has fabricated various electronic systems for a large pedigree of customers at the back of its captive manufacturing facility. The company is recognized by its customers for its potential to deliver complex programs in short turnaround times.

SWOT Analysis

Strengths

- Robust domain capability in Radars, Electronic Warfare, Communication systems, Avionics & Satellite Systems
- All product development competencies under one roof
- 100% in-house design and manufacturing capability
- Scalable business; potential to build complete systems
- Vast number of products designed in India for all platforms (land, air and sea)

- Certified manufacturing infrastructure fulfilling international benchmarks

Weakness

- The order inflows are skewed in nature.
- Extensive gestation development contracts

Opportunities

- India spends over INR 1 Trillion annually on defence capex, increasing gradually
- There is a growing participation from the private sector in the defence supply chain on account of government policies like Defence offset programme, Make in

India initiatives and policy changes in the Defence Procurement Procedure

- Strong export potential

Threats

- Competition from smaller suppliers with less knowledge of the concerns involved
- Delays in the commercialisation of product development on account of tedious and time-consuming approval process
- Global competition
- Possible delays in key government programmes in space and defence sectors on account of fiscal constraints

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 39% growth from INR 224 Crore in FY 2020-21 to INR 311 Crore in FY 2021-22. Other income of the Company reported a 52% growth and accounted for a 1.26% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses increased by 23% from INR 152 Crore in FY 2020-21 to INR 187 Crore due to increased scale of operations. Raw material costs, accounting for a 28% share of the Company's revenues increased by 22% from INR 70 Crore in FY 2020-21 to INR 86 Crore in FY 2021-22 owing to an increase in the operational scale. Employee expenses, accounting for a 20% share of the Company's revenues, increased by 29% from INR 48 Crore in FY 2020-21 to INR 62 Crore in FY 2021-22.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased 164% from INR 217.70 Crore as on March 31, 2021 to INR 575.24 Crore as on March 31, 2022 owing to fresh equity infusion through the initial public offering. The Company raised INR 300

Crore of additional capital through private placement (INR 60 Crore) and through IPO (INR 240 Crore). The increase is also due to a reduction in debt. Return on capital employed, a measurement of returns derived from every rupee invested in the business, decreased by 17 basis points from 41% in FY 2020-21 to 24% in FY 2021-22 due to an increase in capital employed on the basis of equity infusion through private placement and IPO.

The net worth of the Company increased by 176% from INR 208 Crore as on March 31, 2021 to INR 575 Crore as on March 31, 2022 owing to private placement, IPO and increase in retained earnings. The Company's equity share capital comprised 5,18,86,650 equity shares of INR 2 each as on March 31, 2022 as against 16,99,790 equity shares of INR 10 each as on March 31, 2021. The change was due to the split of shares of INR 10 each to shares of INR 2 each; allotment of 1:4 bonus in August 2021 and 10:1 bonus in September 2021 and shares allotted through private placement and during the IPO.

Long-term debt of the Company decreased by 93% to INR 0.73 Crore as on March 31, 2022 as against INR 9.77 Crore as on March 31, 2021 mainly due to a repayment of long term borrowings out of the IPO proceeds.

The finance costs of the Company decreased by 24% from INR 14.5 Crore in FY 2020-21 to INR 11 Crore in FY 2021-22 due to a better realisation of receivables and consequently reduced use of bank facilities. The Company's net debt / equity ratio stood at a comfortable 0.01 at the close of FY 2021-22 (0.16 at the close of FY 2020-21). Debt-equity ratio has always been less than 1.0 for the Company.

Applications of funds

Fixed assets (gross) of the Company increased by 95% from INR 33 Crore as on March 31, 2021 to INR 65 Crore as on March 31, 2022 due to the additional plant, machinery and computers purchased and capitalised during the

financial year under review. Depreciation on tangible assets increased by 17% from INR 5.49 Crore in FY 2020-21 to INR 6.41 Crore in FY 2021-22 owing to an increase in fixed assets during the year.

Working capital management

Current assets of the Company increased by 99% from INR 261 Crore as on March 31, 2021 to INR 520 Crore as on March 31, 2022, mainly due to the deposits created out of the IPO proceeds pending utilisation and owing to the growing scale of business. The current and quick ratios of the Company stood at 5.02 and 3.87, respectively at the close of FY 2021-22 compared to 3.64 and 2.62, respectively at the close of FY 2020-21.

Inventories including raw materials, work-in-progress and finished goods among others increased by 62% from INR 74 Crore as on March 31, 2021 to INR 120 Crore as on March 31, 2022, owing to a growing scale of business and also due to the advance procurement of material to mitigate the semi-conductor shortage. Accordingly, the inventory cycle days increased from 397 days of turnover equivalent in FY 2020-21 to 410 days of turnover equivalent in FY 2021-22.

Growing business volumes resulted in an increase of 27% in trade receivables from INR 156 Crore as on March 31, 2021 to INR 198 Crore as on March 31, 2022. Since 100% of the receivables are considered good and realizable, no provision has been made. Debtor turnover cycle came down to 208 days of turnover equivalent in FY 2021-22 from 221 days in FY 2020-21.

Cash and bank balances of the Company increased from INR 9 Crore as on March 31, 2021 to INR 177 Crore as on March 31, 2022 mainly due to IPO proceeds.

Loans and advances made by the Company increased by 8% from INR 23 Crore as on March 31, 2021 to INR 25 Crore on account of increased prepaid expenses and advances payable to suppliers.

Margins

The EBITDA margin of the Company improved from 42% in FY 2020-21 to 47%, resulting in a similar 500 bps increase in the net profit margin. Increase in EBITDA margin was due to the increased scale of operations and better gross margin in a few projects executed during FY 2021-22.

Key ratios

Particulars	FY 2020-21	FY 2021-22
EBITDA/turnover (%)	42	47
EBITDA/net interest ratio	6.52	13.19
Return on equity (%)	26.72	16.36
Book value per share (INR)	1223.26	110.72
Earnings per share (INR)	11.90	19.48
Debtors turnover (days)	221	208
Inventory turnover (days)	397	410
Interest coverage ratio (x)	6.14	12.59
Current ratio (x)	3.64	5.02
Debt-equity ratio (x)	0.16	0.01
Operating profit margin (%)	40	45
Net profit margin (%)	25	30

Internal control systems and their adequacy

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

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward- looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

Directors' Report

Dear Shareholders,

Your Directors present herewith the 24th Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31st March, 2022.

1. FINANCIAL PERFORMANCE:

The audited financial statements of the Company as on 31st March, 2022 are prepared in accordance with the relevant applicable IND AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Companies Act, 2013 ("Act"). The summarized financial highlights are depicted below:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
I. Revenue from Operations	310.85	223.95
II. Other Income	3.96	2.60
III. Total Income	314.81	226.55
IV. Expenses:		
a) Cost of materials consumed	91.59	62.97
b) Changes in inventories of finished goods, work in progress and stock-in-trade	(5.52)	7.44
c) Employee benefits expenses	62.35	48.42
d) Finance cost	10.99	14.50
e) Depreciation / Amortization	6.63	5.57
f) Other expenses	21.39	13.13
Total Expenses	187.43	152.03
V. Profit before tax	127.38	74.52
VI. Tax expense:		
a) Income Tax	32.93	18.91
b) Tax pertaining to earlier years	1.36	-
c) Deferred Tax	(0.88)	0.05
VII. Profit(Loss)for the period	93.97	55.56
VIII. Other Comprehensive Income		
Re-measurement Gain / (Loss) on Defined Benefit Obligations	(1.54)	(1.28)
Income tax on above	0.39	0.32
Other Comprehensive Income/(Loss) for the year	(1.15)	(0.96)
IX. Total Comprehensive Income for the year	92.82	54.60
X. Earnings per equity share of Rs 2 each fully paid		
Basic and diluted (In INR)	19.48	11.90

2. PERFORMANCE HIGHLIGHTS:

The key aspects of your Company's performance during the financial year 2021-22 are as follows:

a) Revenue:

Total revenue of your Company for FY 2021-22 stood at INR 314.81 Crores as against INR 226.55 Crores for FY 2020-21 marking an increase of 38.9%. Your Company achieved this revenue growth despite the supply chain challenges due to Covid pandemic.

This revenue growth was contributed by increase in Order inflow of both development and production orders and timely execution of the same. Revenue from all product categories showed a good

growth during the year. Radar and Electronic warfare products contributed to Rs. 152 Cr revenue. Your Company successfully completed the Factory Acceptance Test of Data Patterns developed first Precision Approach Radar in FY 2021-22.

b) Operating and administrative expenses

Operating and administrative expenses (comprising of cost of material consumed, employee cost and other administrative expenses) during FY 2021-22 were INR 169.81 Crores, an increase of 28.7% over the previous year figure of INR 131.96 Crores. The percentage of Operating and administrative expenses to total revenue recorded a decrease of 4.3%, from 58.2% in FY 2020-21 to 53.9% in FY 2021-22 contributing to better Operating Margin.

c) Depreciation and amortization expenses

Depreciation and amortization expenses during FY 2021-22 were INR 6.63 Crores, an increase of 19% over the previous years figure of INR 5.57 Crores, mainly on account of addition to Plant & machinery and computers.

d) Finance costs

Finance costs reduced by 24.2% in FY 2021-22 (INR 10.99 Crores as against Rs. 14.50 Crores in FY 2020-21), mainly due to reduced borrowing on account of better working capital management. All the loans were repaid out of IPO proceeds and your Company is net zero debt Company now.

3. DIVIDEND:

The Board of Directors of your Company, after considering the relevant circumstances holistically, has recommended a dividend of INR 3.50 per equity share of Rs. 2 each fully paid as final dividend for the year under review. The dividend, if approved by the members in the ensuing Annual General Meeting, will be paid as per the provisions of the Companies Act 2013.

4. COVID-19 PANDEMIC:

The global economy was badly impacted by second wave of Covid 19 in the first quarter of the financial year 2021-22. While the Delta variant was reasonably settling down in the second quarter, emergence of Omicron variant in the third quarter threw sudden restrictions on mobility and slow down in the economic activities. The year 2021-22 was characterized by never before high inflation. Semi conductor shortage and availability of transports for bringing the material remained a big challenge. Your Company managed the situation well and achieved the targets in FY 2021-22.

5. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes, which have occurred between the end of financial year of the company and the date of this report.

6. KEY DEVELOPMENTS:

a. Year 2021-22 was a historical year for your Company. Equity shares of your Company got listed in leading Indian Stock Exchanges on 24th December, 2021 through an Initial Public Offer. Entire process of IPO was successfully completed in less than 5 months. Total issue size was Rs. 648.22 Cr. Company raised Rs. 300 Cr from out of Private Placement of shares (Rs. 60 Cr) and IPO (Rs. 240 Cr). Rs. 348.22 Cr was offer for sale by the existing Shareholders. The funds raised through the process are earmarked for specific purposes as declared in the offer documents.

The subscription was open between December 14, 2021 and December 16, 2021. The IPO was subscribed 119.6 times. The issue was priced at Rs. 585 per equity share of Rs. 2 each. Your Directors were overwhelmed with the kind of market response to the Company's IPO and would like to place on record their sincere thanks to all the subscribers for reposing trust and confidence in Data Patterns.

b. Your Company decided to augment its production and testing infrastructure by adding another 1 lac sq.ft of building and the required manufacturing and testing equipment &

machinery. Overall project cost is estimated at around Rs. 70 to Rs. 80 Cr. The building construction was started in June 2021 and is expected to be completed by Q3 of the current financial year (2022-23). Required plant and equipment are being bought on need basis and the project is expected to be completed before end of FY 2022-23.

c. Your Company is now a net zero debt company.

d. 100th unit of Radar Processor was supplied to a foreign customer in March 2022.

7. FIXED DEPOSITS:

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with rules made there under.

8. SUBSIDIARY COMPANIES AND ITS FINANCIAL PERFORMANCE:

Your Company has no subsidiaries.

9. FINANCIAL STATEMENTS

In accordance with the Ministry of Corporate Affairs ("MCA") circular dated January 13, 2021 read with circulars dated April 08, 2020, April 13, 2020 and May 5, 2020, the Annual Report 2020-21 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including financial statements, Directors' Report is being sent only via email to all shareholders who have provided their email address(es).

The Annual Report along with the Financial Statements are also available on the website of the Company and can be accessed at <http://www.datapatternsindia.com>.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Mathew Cyriac was appointed as a Nominee Director representing M/S. Florintree Capital Partners LLP in June 2021.

Mr. S. Ramakrishnan, Mr. Prasad R. Menon, Ms. Sabitha Rao and Dr. VVR Sastry were appointed as independent directors of the Company on September 10, 2021 to hold office for a period of 5 years.

Mr. Vijay Ananth K, Chief Operating Officer of the Company was inducted into the Board as Additional Director on 08th February, 2022 and his term of appointment was regularized as Executive, Whole-time Director in the Extra-ordinary general meeting held on 06th May, 2022.

Ms. Manvi Bhasin was appointed as Company Secretary cum Compliance Officer in July 2021 and Mr. V Venkata Subramanian, GM-Finance of the Company was appointed as Chief Financial Officer of the Company in September, 2021.

Directors retiring by rotation

Pursuant to the requirements of the Companies Act, 2013, Mr. S. Rangarajan (DIN: 00643456) and Ms. Rekha Murthy Rangarajan (DIN: 00647472) retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Board recommends the appointment/reappointment of above Directors for your approval.

Brief details of Directors proposed to be appointed/re-appointed as required under Regulation 36 of the SEBI Listing Regulations are provided as part of the Notice of Annual General Meeting.

Independent Directors and their Meeting

Your Company has appointed 4 Independent Directors effective from September 10, 2021. Your Company has received annual declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence provided in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances, which may affect their status as Independent Director during the year.

For the financial year 2021-22 the Independent Directors held a meeting on August 01, 2022 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; taking into account the views of Executive Directors and Non-Executive Directors, assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review the Non- Executive Directors received the sitting fees from the Company for attending the Board and Committee Meetings. The amount received by the Non- Executive Directors is as follows:

S. No.	Name of the Director	Category of Director	Sitting fees received during F.Y. 2021-22 (INR)
1.	Mr. Mathew Cyriac	Nominee Director	6,05,000
2.	Mr. S. Ramakrishnan	Independent Director	6,05,000
3.	Mr. Prasad R. Menon	Independent Director	6,05,000
4.	Ms. Sabitha Rao	Independent Director	6,08,000
5.	Dr. VVR Sastry	Independent Director	6,05,000

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to clause (c) of sub-section (3) read with sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual financial statement, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statement have been prepared on a going concern basis;
- proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- proper system to ensure compliance with the provisions of all applicable laws including the compliance of applicable Secretarial Standards were in place and were adequate and operating effectively.

12. BOARD EVALUATION:

As the Independent Directors were appointed in September 2021 and since one year has not passed since their appointment, the Company is yet to evaluate the performance of the Independent Directors.

13. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available on the website of the Company at www.datapatternsindia.com.

14. INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND THEIR ADEQUACY:

According to Companies Act, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Companies for ensuring the orderly and efficient conduct of its business including adherence to Company's policies safeguarding of its assets, prevention and detection of errors and frauds, completeness and accuracy of its accounting records and timely preparation of reliable financial statements.

The Directors are responsible for laying down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. As per Section 134(5) (e) of the Companies Act, 2013, the Director's Responsibility Statement shall state the same.

Your Company has put in place the required internal control systems and processes commensurate with its size and scale of operations. During the year under review your Company carried out a separate audit on IFC, in addition to the internal audit.

The IFC auditors independently evaluated the adequacy and adherence of IFC and certified the same.

The Audit Committee of the Board of Directors regularly reviews execution of Audit Plan, the adequacy and effectiveness of Internal audit systems, and monitors implementation of internal audit recommendations including those relating to strengthening of company's risk management policies and systems.

15. RISK MANAGEMENT:

Your Company is now within top 1,000 listed entities based on the market capitalization as on 31st March 2022.

Company's Risk Management Framework is designed to help the organization, which meet its objective through alignment of operating controls to the mission and vision of the Group. The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for formulating relevant Risk Management Policy for identifying risks, assessment of its impact in Company's business, required action plan for mitigating the risks and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

The Risk Management Framework, institutionalized, strives to ensure a holistic, mutually exclusive and collectively exhaustive allocation of risks by identifying risks relating to key areas such as operational, regulatory, business and commercial, financial, people, cyber security, etc. Using this framework we aim to achieve key business objectives, both in the long term and short term, while maintaining a competitive advantage.

16. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report for the year ended 31st March, 2022 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is posted at Company's website www.datapatterns.co.in

17. RELATED PARTY TRANSACTIONS:

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013 (the "Act"). Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in the prescribed Form AOC-2 is not applicable to the Company and hence does not form part of this report.

18. AUDITORS:

Statutory Auditors:

R.G.N. Price & Co, (FRN No:0027855) Chartered Accountant firm, was re-appointed as the auditors of the company in the 21st Annual General Meeting to hold the office for the period of 5 consecutive years i.e. from the Financial Year 2019-20 to 2022-23 till the conclusion of the 25th Annual General Meeting.

Cost Auditors:

Your Company has appointed CMA G. Sundaresan for Cost Audit to conduct audit of cost records of the Company for the year ended 31st March, 2022. The Company has maintained the cost accounts and records in accordance with Section 148 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made there under, CS A Mohan Kumar, Practising Company Secretary, had been appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2021-22 is forming part of this report as Annexure – A.

19. AWARDS, CERTIFICATIONS AND ACCREDITATIONS:

Your Company continues to be certified under AS9100 and ISMS having successfully completed the surveillance audits.

20. CORPORATE GOVERNANCE:

Your Company has complied with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Corporate Governance. A report on the Corporate Governance practices, a Certificate from practicing Company Secretary regarding compliance of mandatory requirements thereof are given as an annexure to this report. In compliance with Corporate Governance requirements as per the Listing Regulations, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

21. MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed report on the Management discussion and Analysis is provided as a separate section in the Annual Report

22. SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY (S & CSR):

The Company has constituted Corporate Social Responsibility ("CSR") Committee as per Section 135 of Companies Act 2013 and also formulated its CSR Policy in alignment with Schedule VII of the Companies Act, 2013. The said CSR Policy is also available on the website of the Company i.e. <https://www.datapatternsindia.com/>.

Our CSR Philosophy:

Community Engagement and Development:

We approach community care with the same zeal and efficiency as we approach our business. We make strategic long-term investments which yield life-long positive change to the communities around us. We have a committed implementation team to carefully choose and craft initiatives in alignment with current and future needs of the nation.

We believe in positive relationships that are built with constructive engagement which enhances the economic, social and cultural wellbeing of individuals and regions connected to our activities. We continuously engage in dialogues, consultation, coordination and cooperation with community members to improve our sustainability performance and reduce business risks.

23. DISCLOSURES:

A. NUMBER OF BOARD MEETINGS:

During the Financial Year 2021-22, the Board of Directors have met for 13 times i.e., on 05.04.2021, 31.05.2021, 04.06.2021, 21.06.2021, 16.07.2021, 11.08.2021, 12.08.2021, 02.09.2021, 03.09.2021, 15.09.2021, 29.10.2021, 16.11.2021 and 08.02.2022.

B. COMMITTEES OF BOARD:

Details of various committees constituted by the Board of Directors, as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, are given in the Secretarial Auditor Report and forms part of this report.

C. ANNUAL RETURN:

The Annual Return of the Company as on 31st March, 2021 is available on the website of the Company at www.datapatternsindia.com

D. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7(1) of Companies (Meeting of Board and its Powers) Rules, 2014, the Company has established the Vigil Mechanism for the genuine concerns and grievances of its Directors and Employees and also nominated Mrs. Rekha Murthy Rangarajan, Whole Time Director of the Company, to play the role of Grievances Officer for the purpose of vigil mechanism to whom other Directors and Employees may report their concerns, in terms of Rule 7(3) of Companies (Meeting of Board and its Powers) Rules, 2014. There were no complaints/grievances received during the financial year under consideration.

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

E. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

F. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

G. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of

➤ Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.

➤ No Specific investment has been made in reduction in energy consumption. However, the Company is planning to install solar power system in the financial year 2022-23.

➤ As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

➤ Foreign Exchange Earnings- 37.75 Crores

➤ Foreign Exchange Outgo – 98.65 Crores

H. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure – B. The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

I. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, our Company has constituted Internal Complaints Committees at various locations as per requirement of the Act which are responsible for redressal of complaints relating to sexual harassment against woman at workplace. During the year under review, there were no complaints pertaining to sexual harassment against women.

J. OTHER DISCLOSURES AND REPORTING

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under ESOP or any other scheme.
4. Neither the Managing Director nor the Whole-time Director of the Company has received any remuneration or commission from any of its subsidiaries.

K. POLICIES

During the year under review, the Board of Directors of the Company has formulated/reviewed changes in Sustainability and Corporate Social Responsibility policy; Nomination and

Remuneration Policy of Directors, Key Managerial Personnel and Other Employees; Related Party Transaction Policy; Vigil Mechanism / Whistle Blower Policy; Code of Conduct for Board of Directors and Senior Management of the Company; and Code of internal procedures and conduct for regulating, monitoring and reporting of Trading by Insiders to comply with the recent amendments in the Companies Act, 2013 and SEBI Regulations. Accordingly, the updated policies are uploaded on website of the Company at www.datapatternsindia.com.

L. INSURANCE

Your Company has taken appropriate insurance for all assets as per general industry practice.

25. ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for assistance and co-operation received from various Ministries and Department

of Government of India and other State Governments, Banks, financial institutions, Company's Auditors, and all stakeholders. The Directors would also like to express great appreciation for the commitment and contribution of its employees.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels and all others, to ensure that the Company continues to grow and excel, despite the disturbances caused due to second and third wave of Covid pandemic.

Your Directors also wants to place their special thanks to the entire team of professionals like, Merchant Bankers, Auditors, Lawyers, Company Secretaries, Stock Exchanges, Regulators and all other professionals involved in the process of listing of Company's shares. The Directors also wish to place their thanks to all the investors for posing confidence in the Company and investing in its shares.

For Data Patterns (India) Limited

Date: 02.08.2022

Place: Chennai

Srinivasagopalan Rangarajan

Chairman and Managing Director

DIN: 00643456

Rekha Murthy Rangarajan

Whole-time Director

DIN: 00647472

Annexure - A to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014] and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
M/s. Data Patterns (India) Limited.

I have conducted the Secretarial Audit of the Compliances with regards to applicable statutory provisions and the adherence to good corporate practices followed by M/s. Data Patterns (India) Limited [Formerly known as Indus Teqsite Private Limited] (hereinafter called "the Company") bearing Corporate Identification Number L72200TN1998PLC061236. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Data Patterns (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. The Company has appointed Independent Directors into the Board of the Company w.e.f. 10th September, 2021. As per the Company, for the period ending 31-3-2022, the Company has held an Independent Directors meeting on 1st August 2022. This meeting ought to have been conducted before 31-3-2022; however, since the company's shares were listed only in December 2021, the Company could not hold the Independent Directors meeting before 31-3-2022 and has held it on 1st August 2022. The Company informs that it will hold an Independent Directors' meeting for the year ending 31st March, 2023, separately on or before 31.3.2023.
2. The Company has not filed Form MGT-14 for Board resolution approving the issue of shares through private placement and for Board resolution approving to borrow from Axis Bank Limited till the date of signing this report. As per the Management, the Company is taking steps to file the same at the earliest.
3. We note that the Company has been taking steps to file CRA-4 with RoC but due to some technical issues on MCA

portal, the form is not getting uploaded. As per the reply given by the Company's management, the Company has taken immediate actions and have filed the complaint vide ticket no. SR2365225 with RoC Chennai, as well as MCA e-governance.

4. The Board of Directors of the Company has approved proposed final dividend for the FY 2020-2021; the Company has complied the provisions except transferring the amount of dividend to separate bank account for payment of dividend with Shareholders.
5. The appointment of Mr. Vijay Ananth as Additional Director of the Company has not been communicated to the Stock Exchanges immediately after the Board meeting in which he was appointed. However, this was intimated to the Exchanges vide the Corporate Governance Report filed by the Company for quarter ended 31st March, 2022.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 ("Review period") according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011-During the financial year under review, there were no acquisition of shares and hence not applicable;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable to the Company during the financial year under review;
- e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2021;
- f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 - During the financial year under review the Company has not issued any Non-convertible securities and hence not applicable;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- The Company is not registered as transferor to issue and Share Transfer Agent during the financial year under review and hence not applicable;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable during the financial year under review as the Company has not delisted its equity shares from any stock exchange;
- i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013- Not applicable during the financial year under review as the Company has not issued any Non- Convertible and Redeemable Preference Shares from any stock exchange;
- a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- The Company has not bought back any of its securities during the financial year under review and hence not applicable; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- c) The Laws as applicable specifically to the Company are as under:
- (i) Factories Act, 1948 and The Tamil Nadu Factories Rules, 1950;
- (ii) Information Technology Act, 2000 and Information Technology Amendment Act, 2008;
- (iii) European Chemicals Agency and its regulations;
- (iv) International Traffic in Arms Regulations (ITAR);
- (v) Restriction of Hazardous Substance Directive of the European Union.
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited(NSE).
- I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned as above.
- I further report that:
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate Notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All decisions were carried through where there were no dissenting members of the Board.
- I further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, rules, regulations and guidelines.
- I note that the Company has disclosed in their Corporate Governance Report for the quarter ended 31.03.2022 that there was no performance evaluation of Independent Directors. As per the Company, the Independent Directors were appointed on 10th September, 2021 and as they have not completed a full year since their appointment as Independent Director, the Company has not carried out their performance evaluation.
- I further report that during the audit period, the following major transactions were identified: -
- On 05.04.2021, the promoters of the Company Mr. S. Rangarajan and Ms. Rekha Murthy Rangarajan transferred 38,325 shares and 46,745 shares respectively to the employees of the company.
 - The National Company Law Tribunal approved the amalgamation of the company (Formerly known as M/s. Indus Teqsite Private Limited) with M/s Data Patterns(India) Private Limited vide its order dated 13th April 2021.
 - The board of directors in its meeting dated 31.05.2021, approved the Shareholder's Agreement and executed the

same between the Company, Florintree Capital Partners LLP and the promoters of the Company-Mr. S. Rangarajan and Ms. Rekha Murthy Rangarajan.

4. On 04.06.2021, the board took note of the transfer of 3,33,887 shares made between the existing investor Oman India Joint Investment Fund (OIJF) and Florintree Capital Partners LLP.
5. Mr. Mathew Cyriac was appointed as the Nominee Director by the Board of Directors of the company with effect from 04th June 2021.
6. The members at the Extraordinary General Meeting held on 12th July 2021, approved the following:
 - a. Amendment in the Memorandum and Article of Association with respect to Name clause. Pursuant to NCLT's order approving the amalgamation, the members approved change in the name of the company from Indus Teqsite Private Limited to "Data Patterns (India) Private Limited".
 - b. Amendment in the Memorandum and Article of Association with respect to re-classification of authorised share capital and to increase in authorized share capital.
 - c. Amendment in the Memorandum of Association with respect to Object Clause where the objects of Data Pattern are incorporated after the amalgamation.
 - d. Amendment in the Articles of Association pursuant to the execution of shareholder's agreement.
7. On 16.07.2021, the board took note of the transfer of 1,11,295 shares made between the investor Florintree Capital Partners LLP to the employees and others of the Company.
8. The Board of Directors appointed Ms. Manvi Bhasin as the Company Secretary of the company with effect from 19th July, 2021.
9. The board approved to initiate initial public offering (IPO) of the Company, including by way of Offer for Sale on 16th July 2021.
10. The following were approved by the members in the Annual General Meeting held on 12th August 2021:
 - a. Approval for issue of Bonus Shares to the shareholders (first bonus issue) in the ratio of 4:1.
 - b. Sub-division of share capital into smaller amounts i.e., from the existing face value of Rs.10 each to face value of Re. 2/- each
 - c. Declaration of dividend at the rate of 20% of Profit After Tax i.e. Rs.65.30 per equity share of Rs.10 each fully paid-up of the Company
 - d. Appointment of the following Independent Director for a term of five years with effect from 10th September, 2021.
 - d.i. Ms. Sabitha Rao(DIN: 06908122)
 - d.ii. Mr. SastryVenkata Rama Vadlamani (DIN: 00027875)
 - d.iii. Mr. SowmyanRamakrishnan (DIN: 00005090)
 - d.iv. Mr. Prasad Raghava Menon (DIN: 00005078).
11. The company was converted from Private Limited into a Public Limited Company by the special resolution passed at the Extraordinary General Meeting held on 01st September 2021.
12. The issue of bonus shares to its shareholders in ratio 1:10 was approved by the shareholders in the extraordinary general meeting held on 03rd September 2021 and the board allotted the same.
13. The board of directors in their meeting held on 03rd September 2021, appointed Mr. Srinivasagopalan Rangarajan (DIN: 00643456), as Chairman and Managing Director of the company.
14. Mr. V Venkata Subramanian, the existing General Manager of Finance was appointed as the Chief Financial Officer of the company with effect from 03rd September 2021.
15. The shareholders accorded approval in the extraordinary general meeting held on 15th September 2021, to raise capital through initial public offer.
16. The board of directors considered and approved the private placement of equity shares on 29th October 2021 and the same was allotted by the board on 03.11.2021 and 24.11.2021 through circular resolution.
17. Subsequent to IPO, the Company got listed on stock exchanges i.e; NSE and BSE w.e.f 24.12.2021.
18. The board appointed Mr. Vijay Ananth (DIN: 09398784) as an additional director on 08th February 2022.
19. The Composition of the Board of Directors of the Company as on March 31, 2022 is given in "Annexure B".
20. During the Financial Year, the board constituted various committees as per the Companies Act, 2013 and SEBI Regulations such as Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The Composition of Committees of the Company as on March 31, 2022 is given in "Annexure C".

For **Mohan Kumar & Associates**

Sd/-

A. Mohan Kumar

Practicing Company Secretary

Membership Number: FCS 4347

Certificate of Practice Number: 19145

UDIN: F004347D000718203

Place: Chennai.

Date: 02.08.2022

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
M/s. Data Patterns (India) Limited.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mohan Kumar & Associates**

Sd/-

A. Mohan Kumar

Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145
UDIN: F004347D000718203

Place: Chennai.
Date:02.08.2022

Annexure B

Composition of Board of Directors as on March 31, 2022:

S No.	Name	Designation	Date of Appointment at Current Designation	Date of Appointment
1.	Mr. SRINIVASAGOPALAN RANGARAJAN	Chairman and Managing Director	14.09.2020	11-11-1998
2.	Ms. REKHA MURTHY RANGARAJAN	Whole-time Director	14.09.2020	11-11-1998
3.	Mr. VIJAY ANANTH K	Whole-time Director	06-05-2022	08-02-2022
4.	Mr. SOWMYAN RAMAKRISHNAN	Independent Director	10-09-2021	10-09-2021
5.	Mr. PRASAD RAGHAVA MENON	Independent Director	10-09-2021	10-09-2021
6.	Ms. SABITHA RAO	Independent Director	10-09-2021	10-09-2021
7.	Mr. SASTRY VENKATA RAMA VADLAMANI	Independent Director	10-09-2021	10-09-2021
8.	Mr. MATHEW CYRIAC	Nominee Director	04-06-2021	04-06-2021

Key Managerial Personnel:

S No.	Name	Designation	Date of Appointment	Date of Cessation
1.	Ms. MANVI BHASIN	Company Secretary	19/07/2021	-
2.	Mr. VENKATACHALAM VENKATA SUBRAMANIAN	CFO	03/09/2021	-

Annexure C

Composition of Committees of Board as on March 31, 2022:

1. Audit Committee:

S No.	Name	Designation	Position held in the Committee
1.	Mr. SOWMYANRAMAKRISHNAN	Non-Executive - Independent Director	Chairman
2.	Mr. PRASAD RAGHAVAMENON	Non-Executive - Independent Director	Member
3.	Ms. SABITHA RAO	Non-Executive - Independent Director	Member
4.	Mr. VADLAMANI VENKATA RAMA SASTRY	Non-Executive - Independent Director	Member

2. Nomination and Remuneration Committee:

S No.	Name	Designation	Position held in the Committee
1.	Mr. PRASAD RAGHAVAMENON	Non-Executive - Independent Director	Chairman
2.	Ms. SABITHA RAO	Non-Executive - Independent Director	Member
3.	Mr. MATHEW CYRIAC	Non-Executive - Nominee Director	Member

3. Stakeholders Relationship Committee:

S No.	Name	Designation	Position held in the Committee
1.	Mr. MATHEW CYRIAC	Non-Executive - Nominee Director	Chairperson
2.	Mr. SOWMYANRAMA KRISHNAN	Non-Executive - Independent Director	Member
3.	Mr. VADLAMANI VENKATA RAMA SASTRY	Non-Executive - Independent Director	Member
4.	Mr. SRINIVASAGOPALAN RANGARAJAN	Chairman and Managing Director	Member

4. Corporate Social Responsibility Committee:

S No.	Name	Designation	Position held in the Committee
1.	Ms. SABITHA RAO	Non-Executive - Independent Director	Chairperson
2.	Mr. MATHEW CYRIAC	Non-Executive - Nominee Director	Member
3.	Ms. REKHA MURTHY RANGARAJAN	Whole-time Director (Executive Director)	Member

Annexure - B to the Directors' Report

Information pursuant to section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of managerial remuneration to median remuneration

a. Ratio of remuneration of individual directors to the median remuneration of the employees of the Company

Name of the Directors	Ratio
Srinivasagopalan Rangarajan	18.29:1
Rekha Murthy Rangarajan	12.63:1
Vijay Ananth K	15.27:1

b. Ratio of remuneration of individual KMPs to the median re-muneration of the employees of the Company

Name of the KMP	Ratio
Venkatachalam Venkata Subramanian CFO	8.96:1
Manvi Bhasin	1.35:1

ii. Percentage increase in the Median Remuneration of The ratio of the remuneration of the Company in F Y 2021-22 was 31.89%

iii. No of employees of on the rolls of the Company as at the end of the financial year was 662

iv. The average annual increase in the salaries of employees other than the managerial personnel for FY 202021 was 26.93% and that of Managerial Remuneration was 10.28%.

v. The Company affirms remuneration is as per the Remuneration Policy of the Company.

Annexure - C to the Directors' Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Data Patterns (India) Limited.

I have examined the compliance of conditions of Corporate Governance by Data Patterns (India) Limited [CIN: L72200TN1998PLC061236] (hereinafter referred to as 'the Company'), for the year ended March 31, 2022 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable except as stated below:

1. The Company has appointed Independent Directors into the Board of the Company w.e.f. 10th September, 2021. As per the Company, for the period ending 31-3-2022, the Company has held an Independent Directors meeting on 1st August 2022. This meeting ought to have been conducted before 31-3-2022; however, since the company's shares were listed only in December 2021, the Company could not hold the Independent Directors meeting before 31-3-2022 and has held it on 01st August, 2022.
2. Mr. Vijay Ananth was appointed as the Additional Director of the Company in its Board Meeting held on 08.02.2022. However, intimation of his appointment has not been communicated to the stock exchanges within 24 hours of the Board Meeting. As per the Company, this was intimated to the Exchanges vide the Corporate Governance Report filed by the Company for quarter ended 31st March, 2022.
3. The Company is yet to comply with the performance evaluation of Independent Directors since the Independent Directors were appointed on 10th September, 2021 and one year has not passed after their appointment. The fact is disclosed to the stock exchange in the Corporate Governance report for the quarter 31.03.2022.

For **Mohan Kumar & Associates**

Sd/-

A. Mohan Kumar

Practicing Company Secretary

Membership Number: FCS 4347

Certificate of Practice Number: 19145

UDIN: F004347D000718271

Place: Chennai.

Date:02.08.2022

Annexure - D to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2021

- Brief outline on CSR Policy of the Company: The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.
- Composition of CSR Committee:

S No.	Name of the Director	Designation/Nature of Directorship	Number of CSR Committee Meetings held during the year	Number of CSR Committee Meeting attended during the year
1	Sabitha Rao	Chairperson	02	01
2	Rekha Murthy Rangarajan	Member	02	02
3	Mathew Cyriac	Member	02	01

- Composition of Company's CSR committee, its CSR Policy and CSR projects approved by the Board during the financial year 2021-22 are disclosed on the website of the company- www.datapatternsindia.com
- Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - The rule is not applicable to your Company.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

Financial Year	INR in crores
Profit Before Tax for F.Y. 2020-2021	74.53
Profit Before Tax for F.Y. 2019-2020	28.43
Profit Before Tax for F.Y. 2018-2019	10.36
Total profit for 3 financial years	113.32
Average Net Profit	37.77
CSR Amount for F.Y. 2021-2022 (2% of average net profits)	0.76
Amount spent during FY 2021-22	0.76
Balance amount yet to be spent	NIL

- Average net profit of the Company as per section 135(5)- Rs. 37.77
- Two percent of average net profit of the Company as per Section 135(5)- Rs. 0.76 Cr
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years- NIL
 - Amount required to be set off for the financial year, if any- NIL
 - Total CSR obligation for the financial year (7a+7b- 7c)- Rs. 0.76 Cr
- CSR amount spent or unspent for the financial year: Rs. 0.76 Cr
 -

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

- Details of CSR amount spent against ongoing projects for the financial year:

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

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 0.76 cr
- Excess amount for set off, if any

S No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0.76 cr
(ii)	Total amount spent for the Financial Year	0.76 cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NA

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

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

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

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

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). NIL
- (a) Date of creation or acquisition of the capital asset(s)
- (b) Amount of CSR spent for creation or acquisition of capital asset
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

Annexure - E to the Directors' Report

CEO and CFO Compliance Certificate

We, S. Rangarajan, Chairman and Managing Director and V Venkata Subramanian, Chief Financial Officer certify that:

- A) We have reviewed the Financial Statements including the cash flow statement for the year ended 31st March, 2022 and to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 were fraudulent, illegal or violative of the Company's code of conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D) 1) There has not been any significant change in internal control over financial reporting during the year under reference;
- 2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statement; and
- 3) We are not aware of any instance, during the relevant reporting period of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Chennai
23rd May, 2022

Srinivasagopalan Rangarajan
Chairman and Managing Director

V. Venkata Suramanian
CFO

Annexure - F to the Directors' Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Data Patterns (India) Limited,
Plot No.H9, Fourth Main Road, SIPCOT IT,
Siruseri, Chennai – 603103.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Data Patterns (India) Limited, having CIN: L72200TN1998PLC061236 and having registered office Plot No.H9, Fourth Main Road, SIPCOT IT, Siruseri, Chennai – 603103. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications

(including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers,

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

S No.	Name of Director	DIN	Date of appointment at current designation	Original Date of appointment in Company
1.	Mr. PRASAD RAGHAVA MENON	00005078	10-09-2021	10-09-2021
2.	Mr. SOWMYAN RAMAKRISHNAN	00005090	10-09-2021	10-09-2021
3.	Mr. SASTRY VENKATA RAMA VADLAMANI	00027875	10-09-2021	10-09-2021
4.	Mr. SRINIVASAGOPALAN RANGARAJAN	00643456	14-09-2020	11-11-1998
5.	Mr. MURTHY RANGARAJAN REKHA	00647472	14-09-2020	11-11-1998
6.	Mr. MATHEW CYRIAC	01903606	04-06-2021	04-06-2021
7.	Mrs. SABITHA RAO	06908122	10-09-2021	10-09-2021
8.	Mr. VIJAY ANANTH	09398784	06-05-2022	08-02-2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mohan Kumar & Associates**

Sd/-

A. Mohan Kumar

Practicing Company Secretary

Membership Number: FCS 4347

Certificate of Practice Number: 19145

UDIN: F004347D000718335

Place: Chennai.

Date:02.08.2022

Independent Auditor's Report

TO
THE MEMBERS OF
DATA PATTERNS (INDIA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Data Patterns (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the

state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition from contracts with customers as per Ind AS 115:</p> <p>Refer Note 1 (Accounting policy) and Note 23 to financial statements</p> <p>During the year ended March 31, 2022, the Company has recognised revenue of Rs. 310.85 crores with respect to sale of goods and services.</p> <p>The Company recognizes revenue based on the terms of the contract with customers. Terms of sales arrangements with various customers including incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.</p> <p>Due to the judgement relating to determination of point of time in satisfaction of performance obligations, this matter is considered as Key Audit Matter.</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> • We reviewed the Company's revenue recognition policy to ensure whether it is in compliance with Ind AS 115. • We understood the nature of goods sold / services rendered to the customers, assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • We performed the following tests for a sample of transactions pertaining to sale of goods or services during the year <ol style="list-style-type: none"> a. Tested supporting documentation including sales invoices, customer contracts/sales orders, shipping documents and other related records. b. Verified the terms of the contract and confirmed whether the performance obligations stipulated under the contract are the same as identified by the company.

S. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> c. Verified whether the amount of revenue recognized is based on the transaction price identified to the performance obligation satisfied as per the contract. d. Verified whether the recognition of revenue is in accordance with the incoterms / when the conditions for revenue recognitions are satisfied. e. Verified whether the performance obligation is satisfied at a point in time or over a period of time as per the terms of the contract. f. Tested the supporting documentation for significant value of sale transactions recorded during the period closer to the year end to ensure revenue recognition criteria is met as per Ind AS 115. g. Assessed the relevant disclosures made in the financial statements.
2	<p>Impairment of Trade Receivables:</p> <p>Refer Note 1 (Accounting policy) and Note 6 to financial statements</p> <p>Trade receivables as at 31st March 2022 is Rs 198.31 crores which constitutes around 28% of the total assets of the company.</p> <p>Significant portion of balances outstanding under trade receivables are from Government customers / Public sector undertakings.</p> <p>Considering the nature of the product and services, detailed procedures involved in acceptance of the same by customers may take substantial time and therefore assessing the recoverability of trade receivables involves significant amounts of judgement. Hence, we have considered this as a Key Audit Matter.</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> • We assessed the design and tested the operating effectiveness of internal controls related to the processes in place for recoverability of customer dues. • We reviewed the trade receivables and evaluated the basis for management's conclusion regarding the recoverability of the same based on the evidence supporting the completion of performance obligation and the reasons for the delays in recovery. • We have also obtained the status of long pending receivables based on communications with the customers and subsequent collections (if any). • We assessed the relevant disclosures made in the financial statements.
3	<p>Inventory Valuation:</p> <p>Refer Note 1 (Accounting policy) and Note 5 to financial statements</p> <p>Inventories held as at 31st March 2022 is Rs 119.77 crores which constitutes around 17% of the total assets of the company.</p> <p>Considering the nature of the inventories, its valuation involves significant management judgement in identification and allocation of cost of conversion to work in progress and finished goods, identification of obsolete inventories and hence we considered this to be a Key Audit Matter.</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> • We assessed the design and tested the operating effectiveness of internal controls related to Inventory management. • We assessed whether the policy and frequency of physical verification of inventory implemented by the Company is reasonable and adequate. • We observed the physical verification of inventory as part of yearend audit procedure and applied roll back / roll forward procedure to validate the yearend balance. • We checked the valuation of material cost of inventories at the yearend on a sample basis to ensure whether the same is in line with the accounting policy adopted by the company. • We verified the methodology of allocation and absorption of conversion cost on the closing inventory and ensured its reasonableness. • We tested the operating effectiveness of internal controls related to identification and provisioning / write off of obsolete inventories. • We assessed the relevant disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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

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

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

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements - Refer note no 32 to financial statements.
- ii. The Company has certain long-term contracts for which there are no material foreseeable losses. The Company did not have any derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) Attention is drawn to note 46 (c) to the Financial Statements regarding declaration of proposed final dividend for the previous year FY 2020-21. In respect of the said dividend paid during the year by the company, except for not transferring amount of dividend

to separate bank account, the payment of dividend is in accordance with Section 123 of the Act.

- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a

statement on the matters specified in paragraphs 3 and 4 of the Order.

For R.G.N. Price & Co.
Chartered Accountants
FR No. 002785S

K. Venkatakrisnan
Partner
Membership No.208591
UDIN: 22208591AKBVKM4811

Place: Chennai
Date: May 23, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of Data Patterns (India) Limited of even date)

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

We have audited the internal financial controls over financial reporting of Data Patterns (India) Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Data Patterns (India) Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (ii) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has adopted a policy of physically verifying its fixed assets every year which in our opinion is reasonable having regard to the size of the Company and nature of its business. During the year, fixed assets have been physically verified by the Management and according to the information and explanation given to us, there are no discrepancies noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination, we report that, the company does not have any immovable property in its name. In respect of leasehold land, the lease agreement is in the name of the Company, where the Company is the lessee.
- ii. (a) Physical verification of inventories has been conducted at reasonable intervals by the Management. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Details of differences between quarterly returns or statements filed by the Company with such banks and the books of account on the respective dates are given below.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(Amount in Rs Crores)

Particulars	Amount as per books of account	Amount as per returns submitted to Banks #	Reported excess / (shortage)
	A	B	C=B-A
Trade Receivables:			
As at 30th June 2021	151.07	155.53	4.46
As at 30th September 2021	134.51	135.16	0.65
As at 31st December 2021	119.28	122.65	3.37
Trade Payables:			
As at 30th June 2021	(3.25) *	3.01	6.26
As at 30th September 2021	(2.95) *	0.92	3.87
As at 31st December 2021	(0.10) *	2.84	2.94
Inventories:			
As at 30th September 2021	86.81	83.89	(2.92)
As at 31st December 2021	106.51	102.47	(4.04)

* Represents debit balances in vendor ledgers (net)

We were informed that the Company has not submitted its quarterly stock statements for the quarter ended 31 March 2022 as on the date of this report.

Refer Note no 46(J) to the financial statements for reasons for excess / shortage as mentioned in the table above

- iii. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not made any investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, and hence reporting under this clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- v. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) of Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have

been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, and other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

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

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender except few delays in payments as given below;

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (Rs Lakhs)	Whether principal or interest	No. of days delay
Term Loan	HDFC Bank	6.98	Principal	2
Auto Loan	HDFC Bank	2.26	Principal	10
Auto Loan	HDFC Bank	0.59	Interest	10

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans were applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any subsidiaries, joint ventures or associate companies and hence reporting under clause 3(ix) (e) and (f) of the Order is not applicable
- x. (a) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of initial public offer ("IPO") were applied for the purpose for which they were raised, though idle /surplus funds from IPO which were not required for immediate utilization have been gainfully invested in deposits with monitoring agency. The unutilized funds from IPO and private placement of shares through pre- IPO amounting to Rs 154.88 crores were available under fixed deposits and bank balances with monitoring agency as at 31st March 2022.
- (b) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised as explained in x(a) above.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the Company has not received any whistle blower complaints during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, 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. In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified

in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

xxi. The company is not required to prepare consolidated financial statements and hence reporting under this clause is not applicable

Balance Sheet

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	Note No	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	44.16	29.21
(b) Capital Work in Progress	2	17.30	-
(c) Intangible Assets	2	1.35	0.56
(d) Right of Use Assets	3	1.97	3.44
(e) Other Financial Assets	4	117.79	34.07
(f) Deferred Tax Assets (Net)	15	0.76	-
(g) Other non-current assets		3.49	-
		186.82	67.28
Current assets			
(a) Inventories	5	119.77	73.74
(b) Financial Assets			
(i) Trade receivables	6	198.31	155.94
(ii) Cash and cash equivalents	7	177.08	8.80
(iii) Other Financial Assets	8	8.86	5.09
(c) Other current assets	9	15.83	17.75
		519.85	261.32
TOTAL		706.67	328.60
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	10	10.38	1.70
(b) Other Equity	11	564.13	206.23
		574.51	207.93
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	0.73	9.77
(ii) Lease Liabilities	13	1.11	2.43
(b) Provisions	14	11.16	8.52
(c) Deferred Tax Liability (Net)	15	-	0.87
(d) Other Non Current liabilities	16	15.70	27.37
		28.70	48.96
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	6.04	23.46
(ii) Lease Liabilities	13	1.32	1.51
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	18	3.72	0.24
(b) Total outstanding dues of creditors other than micro and small enterprises		34.43	11.76
(iv) Other Financial Liabilities	19	22.07	4.01
(b) Other current liabilities	20	22.68	24.64
(c) Provisions	21	0.72	0.96
(d) Current tax Liabilities	22	12.48	5.13
		103.46	71.71
TOTAL		706.67	328.60
Summary of Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
For and on behalf of the Board

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

Srinivasagopalan Rangarajan
Director
DIN : 00643456

Rekha Murthy Rangarajan
Director
DIN : 00647472

Venkata Subramanian Venkatachalam
Chennai Chief Financial Officer

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

K Venkatakrishnan
Partner
M.No. 208591

Manvi Bhasin
Company Secretary
M No: 49883

Place: Chennai
Date: 23rd May 2022

Statement of profit and loss

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	Note No	For the year ended 31st March 2022	For the year ended 31st March 2021
I. Revenue from Contract with Customers	23	310.85	223.95
II. Other Income	24	3.96	2.60
III. Total Income		314.81	226.55
IV. Expenses:			
a) Cost of materials consumed	25	91.59	62.97
b) Changes in inventories of finished goods, work in progress and stock-in-trade	26	(5.52)	7.44
c) Employee benefits expenses	27	62.35	48.42
d) Finance cost	28	10.99	14.50
e) Depreciation / Amortization	29	6.63	5.57
f) Other expenses	30	21.39	13.13
Total Expenses		187.43	152.03
V. Profit before tax		127.38	74.52
VI. Tax expense:			
a) Income Tax		32.93	18.91
b) Tax pertaining to earlier years		1.36	-
c) Deferred Tax		(0.88)	0.05
VII. Profit(Loss)for the period		93.97	55.56
VIII. Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Statement of Profit and Loss			
in subsequent periods:			
Re-measurement Gain / (Loss) on Defined Benefit Obligations		(1.54)	(1.28)
Income tax on above		0.39	0.32
Other Comprehensive Income/(Loss) for the year		(1.15)	(0.96)
IX. Total Comprehensive Income for the year		92.82	54.60
X. Earnings per equity share of Rs 2 each fully paid			
Basic and diluted (In INR)	34	19.48	11.90

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

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

For R.G.N. Price & Co.,
Chartered Accountants
FR No.002785S

Srinivasagopalan Rangarajan
Director
DIN : 00643456

Rekha Murthy Rangarajan
Director
DIN : 00647472

K Venkatakrishnan
Partner
M.No. 208591

Place: Chennai
Date: 23rd May 2022

Venkata Subramanian Venkatachalam
Chennai Chief Financial Officer

Manvi Bhasin
Company Secretary
M No: 49883

Cash Flow Statement

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash Flow From Operating Activities		
Net Profit before tax	127.38	74.52
Adjustments for:		
Add : Depreciation	6.63	5.57
Add : Interest And Finance Charges	10.99	14.50
Less: Profit on sale of assets	-	(0.12)
Less: Interest Income	(3.98)	(2.22)
Operating Profit Before Working Capital Changes	141.02	92.24
Adjustments For Working Capital Movements :		
(Increase)/Decrease in Inventories	(46.02)	5.68
(Increase)/Decrease in Receivables	(42.37)	(40.30)
(Increase)/Decrease in Other Financial Assets	(3.89)	(0.49)
(Increase)/Decrease in Other Current Assets	(1.57)	(2.50)
Increase/(Decrease) in Trade Payables	26.15	(5.27)
Increase/(Decrease) in Other Financial Liabilities	18.06	(3.30)
Increase/(Decrease) in Other Current Liabilities	(1.96)	2.17
Increase/(Decrease) in Non Current Liabilities	(11.67)	13.04
Increase/(Decrease) in Provisions	0.87	1.08
Cash Generated From Operations	78.61	62.35
Direct Taxes Paid	(28.36)	(18.98)
Net Cash flow From Operating Activities (A)	50.25	43.38
B. Cash Flow From Investing Activities		
Purchase Of Property, Plant and Equipment (PPE) including Capital work in Progress	(38.20)	(5.69)
Proceeds from sale of PPE	-	0.72
Interest Income on Deposits	3.98	2.22
Margin Money Deposits (Placed)/Redeemed	(83.61)	11.50
Net Cash flow From Investing Activities (B)	(117.83)	8.76
C. Cash Flow From Financing Activities		
Interest/Finance Charges on Borrowings	(8.87)	(14.50)
Proceeds From/(Repayment of)Long Term Borrowings (Net)	(9.04)	9.22
Proceeds From/(Repayment of)Short Term Borrowings (Net)	(17.42)	(37.16)
Dividend Paid	(11.10)	(0.35)
Lease Liability payment	(1.82)	(2.08)
Proceeds from issue of equity shares through Initial public offer (IPO) (Refer Note no 43)	300.00	-
IPO issue expenses (Refer Note no 43)	(15.89)	-
Net Cash flow From Financing Activities (C)	235.86	(44.86)
Net Increase in Cash & Cash Equivalents (A+B+C)	168.28	7.29
Cash & Cash Equivalent At The Beginning Of The Year (Refer Note 7)	8.80	1.51
Cash & Cash Equivalent At The End Of The Year (Refer Note 7)	177.08	8.80
Net Increase/(Decrease) in Cash & Cash Equivalents	168.28	7.29

The accompanying notes are an integral part of the financial statements
For and on behalf of the Board

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

Srinivasagopalan Rangarajan
Director
DIN : 00643456

Rekha Murthy Rangarajan
Director
DIN : 00647472

Venkata Subramanian Venkatachalam
Chennai Chief Financial Officer

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

K Venkatakrishnan
Partner
M.No. 208591

Manvi Bhasin
Company Secretary
M No: 49883

Place: Chennai
Date: 23rd May 2022

Statement of Changes in Equity

(All figures are in INR Crores unless specifically stated otherwise)

a) Equity Share Capital

Particulars	Amount
Balance as at 01st April 2020	1.70
Changes due to prior period errors	-
Restated balance as at 01st April 2020	1.70
Changes during the period	-
Balance as at 31st March 2021	1.70

Particulars	Amount
Balance as at 01st April 2021	1.70
Changes due to prior period errors	-
Restated balance as at 01st April 2021	1.70
Issue of Bonus shares (Refer Note no 10)	7.65
Issue of shares through IPO (Refer Note no 43)	1.03
Balance as at 31st March 2022	10.38

b) Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Surplus in Statement of Profit and Loss	Remeasurement of Defined Benefit Plan	
Balance as at 01st April 2020	0.30	33.49	9.16	109.07	(0.04)	151.98
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 01st April 2020	-	-	-	-	-	-
Profit for the year	-	-	-	55.56	-	55.56
Dividend paid	-	-	-	(0.35)	-	(0.35)
Remeasurement of Defined Benefit Plan (Net) for the year	-	-	-	-	(0.96)	(0.96)
Balance as at 01st April 2021	0.30	33.49	9.16	164.28	(1.00)	206.23
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 01st April 2021	-	-	-	-	-	-
Profit for the year	-	-	-	93.97	-	93.97
Dividend paid	-	-	-	(11.10)	-	(11.10)
Remeasurement of Defined Benefit Plan (Net) for the year	-	-	-	-	(1.15)	(1.15)
Issue of Bonus shares (Refer Note no 10)	-	-	(7.65)	-	-	(7.65)
Premium received on issue of equity shares through IPO (Refer Note no 43)	-	298.97	-	-	-	298.97
Issue expenses on IPO (Refer Note no 43) net of taxes	-	(15.14)	-	-	-	(15.14)
Balance as at 31st March 2022	0.30	317.32	1.51	247.15	(2.15)	564.13

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

This is the Statement of changes in equity referred to in our report of even date

Srinivasagopalan Rangarajan

Director

DIN : 00643456

Rekha Murthy Rangarajan

Director

DIN : 00647472

Venkata Subramanian Venkatachalam

Chennai Chief Financial Officer

For R.G.N. Price & Co.,

Chartered Accountants

FR No.0027855

K Venkatakrishnan

Partner

M.No. 208591

Manvi Bhasin

Company Secretary

M No: 49883

Place: Chennai

Date: 23rd May 2022

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

A. Company Overview:

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

1. Significant Accounting Policies

1.1 Approval of Financial statements:

The Ind AS financial statements have been approved for issue by the Board of Directors on 23rd May 2022

1.2 Basis of Preparation and Compliance:

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

1.3 Functional and Presentation Currency:

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

1.4 Current & non-current classification:

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

- a) the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
- b) the asset is intended for sale or consumption;
- c) the asset/liability is held primarily for the purpose of trading;
- d) the asset/liability is expected to be realized/ settled within twelve months after the reporting period;
- e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

- f) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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

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

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

1.5. Property, Plant and Equipment (PPE):

- i. PPE are tangible items that:
 - a) are held for use in the supply of services or for administrative purposes and
 - b) are expected to be used during more than one period.
- ii. The cost of an item of PPE is recognised as an asset if, and only if:
 - a) it is probable that future economic benefit associated with the item will flow to the entity; and
 - b) the cost of the items can be measured reliably.
- iii. For transition to IndAS framework, the Company has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2018 (transition date) measured as per the previous IGAAP, as its deemed cost as on the transition date.
- iv. PPE are stated at cost less accumulated depreciation and accumulated impairment loss if any. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which such costs are incurred. Any gain or loss on disposal of an item of PPE is recognized in the statement of Profit and Loss.

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

An item of tangible or intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item is determined as the difference between the sale proceeds and the carrying amount of the asset, if any and is recognised in the Statement of Profit and Loss.

Capital work in progress and Capital advance:

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

Depreciation:

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

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

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

1.6. Non Current assets held for sale

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

1.7. Intangible assets

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

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

1.8. Impairment of non current Assets

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

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

1.9. Inventories:

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

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

- a. Raw material, Stores and spares – Specific identification method.
- b. Finished goods and Work-in-process – Cost of production which comprises of direct material costs, direct wages and applicable overheads.

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

Goods in transit are recognized at cost.

1.10. Financial instruments:

Financial assets:

a) Initial recognition:

Initial Recognition

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

Subsequent Measurement

Financial Asset measured at Amortised Cost (AC)

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

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

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

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

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

b) Impairment of financial assets:

Financial assets, other than those recognized at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company has adopted a modified approach, whereby possible loss on account of customer defaults are determined on a case to case basis for provisioning at the balance sheet date.

De-recognition of financial assets:

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

Financial liabilities:

a) Initial recognition:

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

b) Classification as debt or equity:

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

c) Equity instruments:

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

d) De-recognition:

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

1.11. Offsetting of Financial Instruments

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

1.12. Revenue Recognition:

Revenue from Contract with Customers

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

Sale of Goods

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

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Sale of Services

The company recognizes revenue when performance obligation as promised is satisfied with a transaction price and where there is no uncertainty as to the measurement or collectability of the consideration. Revenue from sale of services is recognized when the related obligations are fulfilled.

Other Income

Dividend

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

Interest Income

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

1.13. Employee Benefits:

(a) Short term employee benefits:

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

(b) Post-employment benefits:

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

(ii) Defined Benefit Plans:

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

Re-measurements comprising of actuarial gains / losses the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through other comprehensive income in the period in which they occur.

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

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

(c) Other Long-term Employee Benefits:

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

1.14. Borrowing Costs:

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

1.15. Foreign Currency Transactions:

a) Initial Recognition:

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

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

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

c) Recognition of exchange difference:

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

1.16. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in case of:

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

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

1.17. Leases:

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

a) Company as lessee:

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

b) Right-of-use assets:

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

c) Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Lease liabilities and Right-of-use assets have been presented appropriately in the balance sheet.

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

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

e) Company as Lessor:

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

1.18. Taxes on Income:

Taxes on income comprise of current and deferred taxes.

a) Current tax

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

b) Deferred tax

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

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

c) Current and deferred tax for the year

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

1.19. Events after reporting date

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

1.20. Segment Reporting:

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

1.21. Earnings per Share (EPS):

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

1.22. Cash Flow Statement:

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

1.23. Use of estimates:

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

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

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

Key estimates and judgements

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

a. Useful life of Property, Plant and Equipments

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

b. Actuarial valuation

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

c. Claims, Provisions and Contingent Liabilities

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

d. Impairment of Financial assets

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

Notes to Financial Statement for the year ended 31st March, 2022
(All figures are in INR Crores unless specifically stated otherwise)

NOTE NO 2

Particulars	Property Plant and Equipment											Intangible Assets	
	Leasehold Land	Buildings	Plant & Machinery	Air Conditioning Systems	Computer	Electrical Fixtures	Furniture & Fittings	Office Equipments	Vehicles	Total	Software		
Gross Block													
As at April 1 2020	1.31	10.69	14.13	1.23	0.46	0.57	0.77	0.43	1.15	30.75	0.23		
Additions	-	-	1.24	0.03	3.64	0.13	0.02	0.14	-	5.20	0.49		
Deletions	(0.60)	-	-	-	-	-	-	-	-	(0.60)	-		
As at March 31 2021	0.71	10.69	15.38	1.26	4.11	0.70	0.79	0.57	1.15	35.35	0.73		
As at April 1 2021	0.71	10.69	15.38	1.26	4.11	0.70	0.79	0.57	1.15	35.35	0.73		
Additions	-	0.11	14.52	0.07	2.87	0.02	0.11	0.87	1.34	19.90	1.00		
Deletions	-	-	-	-	-	-	-	-	-	-	-		
As at March 31 2022	0.71	10.80	29.89	1.33	6.98	0.72	0.90	1.44	2.49	55.25	1.72		
Accumulated Depreciation / Amortization													
As at April 1 2020	0.02	0.51	1.60	0.23	0.10	0.07	0.09	0.09	0.22	2.93	0.07		
Additions	0.01	0.51	1.61	0.23	0.46	0.07	0.09	0.10	0.13	3.20	0.09		
Deletions	-	-	-	-	-	-	-	-	-	-	-		
As at March 31 2021	0.03	1.02	3.21	0.46	0.56	0.14	0.18	0.19	0.35	6.14	0.16		
As at April 1 2021	0.03	1.02	3.21	0.46	0.56	0.14	0.18	0.19	0.35	6.14	0.16		
Additions	0.01	0.51	1.99	0.23	1.67	0.08	0.09	0.13	0.23	4.94	0.21		
Deletions	-	-	-	-	-	-	-	-	-	-	-		
As at March 31 2022	0.04	1.53	5.20	0.69	2.23	0.21	0.28	0.32	0.58	11.08	0.37		
Net Carrying Value as on 31 March 2022	0.67	9.27	24.69	0.64	4.74	0.51	0.64	1.14	1.90	44.16	1.35		
Net Carrying Value as on 31 March 2021	0.68	9.67	12.16	0.80	3.55	0.56	0.61	0.38	0.80	29.21	0.56		

Assets pledged as security

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

Capital-Work-in Progress (CWIP) Aging Schedule

CWIP	Amount in CWIP for a period of				As at 31st March 2022	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	17.30	-	-	-	-	17.30

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Note 3 - Right of Use Assets

Particulars	Buildings	Furniture	Vehicles	Total
Gross Block				
As at April 1 2020	6.98	0.28	0.80	8.06
Additions	-	-	0.10	0.10
Deletions	(1.58)	-	(0.16)	-1.74
As at March 31 2021	5.40	0.28	0.74	6.42
As at April 1 2021	5.40	0.28	0.74	6.42
Additions	-	-	-	-
Deletions	-	-	-	-
As at March 31 2022	5.40	0.28	0.74	6.42
Accumulated Amortization				
As at April 1, 2020	2.07	0.07	0.31	2.45
For the Year	1.90	0.07	0.30	2.27
Deletions	(1.58)	-	(0.16)	(1.74)
As at March 31, 2021	2.39	0.13	0.45	2.98
As at April 1, 2021	2.39	0.13	0.45	2.98
For the Year	1.22	0.07	0.18	1.47
Deletions	-	-	-	-
As at March 31, 2022	3.61	0.20	0.63	4.45
Net Carrying Value as on 31 March 2022	1.79	0.08	0.11	1.97
Net Carrying Value as on 31 March 2021	3.01	0.15	0.29	3.44

NOTE NO 4 OTHER FINANCIAL ASSETS

(At Amortized Cost)

Particulars	As at 31st March 2022	As at 31st March 2021
Security Deposits	1.52	1.41
Margin Money Deposits held with banks	116.27	32.66
Total	117.79	34.07

Margin money deposits represent security held by bank for the bank guarantees of Rs. 150.21 crores (March 31, 2021: Rs. 131.59 crores) issued by the bankers on behalf of the Company

NOTE NO 5 INVENTORY

Particulars	As at 31st March 2022	As at 31st March 2021
Raw Materials	82.97	42.48
Work-in-progress	20.24	17.18
Finished goods	16.55	14.08
Total	119.77	73.74

NOTE NO 6 TRADE RECEIVABLES

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured:		
Considered Good	198.31	155.94
Total	198.31	155.94

There are no trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

Refer Note 46(A) for disclosure related to aging of Trade receivables

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

NOTE NO 7 CASH & CASH EQUIVALENTS

Particulars	As at 31st March 2022	As at 31st March 2021
Balance with Banks		
- In Current Account and EEFC accounts	6.78	8.79
- In monitoring agency account #	4.88	-
- IPO expenses account*	15.40	-
Deposits with monitoring agency for amount received for IPO with original maturity of less than 3 months #	150.00	-
Cash in Hand	0.02	0.01
* The balance is earmarked towards payment of IPO expenses (Refer Note no 43)		
# The amount represents unutilized IPO proceeds (Refer Note no 43)		
Total	177.08	8.80

NOTE NO 8 OTHER FINANCIAL ASSETS

(At Amortized Cost)

Particulars	As at 31st March 2022	As at 31st March 2021
Security Deposits	2.94	0.15
Advances to Employees	0.40	0.44
Interest accrued but not due	5.53	3.60
Other advances	-	0.18
Other Receivables	-	0.72
Total	8.86	5.09

NOTE NO 9 OTHER NON CURRENT ASSETS

Particulars	As at 31st March 2022	As at 31st March 2021
Capital Advances	3.49	-
Total	3.49	-

Particulars	As at 31st March 2022	As at 31st March 2021
Balance With Government Authorities	2.46	4.00
Prepaid Expenses	4.40	7.00
Advance to Suppliers	8.96	6.75
Total	15.83	17.75

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

NOTE NO 10 EQUITY SHARE CAPITAL

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

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised		
7,87,50,000 Equity shares of Rs.2 each (Previous year- 20,00,000 Equity shares of Rs.10 each)	15.75	2.00
5,75,000 9% Redeemable Optionally Convertible Cumulative Preference Shares of Rs 100 each	-	5.75
	15.75	7.75
Issued, Subscribed and Fully Paid up		
5,18,86,650 Equity shares of Rs.2 each (Previous year- 16,99,790 Equity shares of Rs.10 each)	10.38	1.70
	10.38	1.70

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

Particulars	As at 31st March 2022	As at 31st March 2021
Number of shares outstanding at the beginning of the period	16,99,790	16,99,790
Add: Issue of shares on account of sub division of nominal value of equity shares from Rs 10 per share to Rs 2 per share	67,99,160	-
Add: Issue of bonus shares	3,82,45,275	-
Add: Issue of shares through IPO -Refer Note no 43	51,42,425	-
Number of shares outstanding at the end of the period	5,18,86,650	16,99,790

The Company has one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Sub division of nominal value of equity shares:

The shareholders of the company vide its Annual General meeting held on 12th August 2021 have approved the Sub Division of nominal value of equity shares with Face value of Rs 10 each to Face value of Rs 2 each. Pursuant to the above resolution, the existing no of equity shares of 16,99,790 with nominal value of Rs 10 each sub-divided to 84,98,950 shares with nominal value of Rs 2 each.

Bonus issue of equity shares:

"*The shareholders of the company vide its Annual General meeting held on 12th August 2021 have approved the Issue of Bonus shares in the ratio of 1:4 (i.e 4 fully paid up equity share for every 1 equity share held)

The shareholders of the company vide its extra ordinary general meeting held on 03rd September 2021 have approved the Issue of Bonus shares in the ratio of 10:1 (i.e 1 fully paid up equity share for every 10 equity share held)"

Pursuant to the above resolutions, the Company issued and allotted 3,82,45,275 bonus equity shares of 2/-each to its shareholders by capitalising General reserves amounting to Rs 7.65 crores.

The shareholders of the company vide its extra ordinary general meeting held on 03rd September 2021 have approved the issue of Bonus shares in the ratio of 10:1 (i.e 1 fully paid up equity share for every 10 equity share held)

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

10(c) - Details of shareholding more than 5% held as at reporting date

Particulars	As at 31st March 2022	
	No of shares	%
Mr. S. Rangarajan	1,27,65,315	24.60%
Mrs. Rekha Rangarajan	1,05,78,323	20.39%
Florintree Capital Partners LLP	59,96,622	11.56%

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

10(d) Shareholding of Promoters

Promoter name	No of shares	
	As at 31st March 2022	As at 31st March 2021
Mr. S. Rangarajan	1,27,65,315	5,73,966
Mrs. Rekha Rangarajan	1,05,78,323	3,79,703

Promoter name	% to Total no of shares	
	As at 31st March 2022	As at 31st March 2021
Mr. S. Rangarajan	24.60%	33.77%
Mrs. Rekha Rangarajan	20.39%	29.59%

Note on % of Change during the period:

During the year ended 31st March 2022, shareholding of Mr S Rangarajan and Mrs Rekha Rangarajan has come down by 9.17% and 9.20% respectively due to transfer of shares and shares offered under Offer for sale during IPO.

NOTE NO 11 OTHER EQUITY

Particulars	As at 31st March 2022	As at 31st March 2021
Capital Reserve		
Opening Balance	0.30	0.30
Additions during the year	-	-
Deletions during the year	-	-
Closing Balance	0.30	0.30
Securities Premium:		
Opening Balance	33.49	33.49
Add: Premium received on issue of equity shares through IPO (Refer Note no 43)	298.97	-
Less: Issue expenses on IPO (Refer Note no 43) net of taxes*	(15.14)	-
Closing Balance	317.32	33.49
*The Company has exercised the option to adjust the share issue expenses with the balance available in Securities premium account as per Section 52 of the Companies act 2013		
General Reserve:		
Opening Balance	9.16	9.16
Additions during the year	-	-
Less: Utilization towards issue of bonus shares (Refer Note no 10)	(7.65)	-
Closing Balance	1.51	9.16

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	As at 31st March 2022	As at 31st March 2021
Surplus in Statement of Profit and Loss		
Opening Balance	164.28	109.07
Add: Profit after Tax	93.97	55.56
Less: Dividend paid	(11.10)	(0.35)
Closing Balance	247.15	164.28
Other Comprehensive Income:		
Opening Balance	(1.00)	(0.04)
Additions during the year	(1.15)	(0.96)
Deletions during the year	-	-
Closing Balance	(2.15)	(1.00)
Total	564.13	206.23

Nature and purpose of reserves

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

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

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

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

Items of Other Comprehensive Income

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

NOTE NO 12 BORROWINGS

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
From Banks	0.48	9.37
From Others	0.24	0.40
Total	0.73	9.77

Term loan from State Bank of India (SBI)

State Bank of India has sanctioned Guaranteed Emergency Credit Line (GECL) of Rs 5.04 crores to the company during March 2021. The loan is secured by a pari-passu charge over the primary and collateral securities along with other lenders under the Multiple Banking Arrangement. The Loan is repayable in 36 monthly installments after 12 months of moratorium and interest rate for the loan is 0.75% above the EBLR, maximum interest rate being 9.25%. Effective rate at the time sanctioning the loan is 7.40%. The loan was repaid entirely during the Financial year 2021-22

Term loan from Housing Development Finance Corporation (HDFC) Bank

HDFC sanctioned a term loan of Rs. 36 crores during the Financial year 2020-21. The loan was repayable in 5 years with an initial fixed assets of the Company with the other banks as primary security and pari-passu charge on the land and building at H-9, SIPCOT IT Park, Siruseri, Chennai – 603103, personal guarantee of the directors. The company had drawn upto Rs 11 crores out of the sanctioned limit. The loan was repaid entirely during the Financial year 2021-22

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Auto Premium Term Loan from HDFC Bank

HDFC sanctioned a auto premium term loan of Rs. 0.99 crore during the Financial year 2021-22. The loan is repayable in 39 monthly installments. Interest rate for the loan is 7.20%. The term loan is secured by exclusive charge on the vehicle purchased by the company as mentioned in the loan schedule.

The company does not have any borrowings from banks and financial institutions which have not been used for the specific purpose for which it was taken as at March 31, 2022.

NOTE NO 13 LEASE LIABILITIES

Particulars	As at 31st March 2022	As at 31st March 2021
Non Current	1.11	2.43
Total	1.11	2.43

Particulars	As at 31st March 2022	As at 31st March 2021
Current	1.32	1.51
Total	1.32	1.51

NOTE NO 14 NON CURRENT PROVISIONS

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Gratuity	9.40	7.59
Provision for Compensated absences	1.76	0.93
Total	11.16	8.52

NOTE NO 15 DEFERRED TAX LIABILITY/ (ASSET)

Particulars	As at 31st March 2022	As at 31st March 2021
A. Deferred Tax Liabilities:		
Property Plant and Equipment	2.92	2.64
Right of Use Assets	0.50	0.87
Total Deferred Tax Liabilities (A)	3.41	3.51
B. Deferred Tax Assets:		
Expenditure allowable only on payment basis	2.80	1.65
Lease Liabilities	0.61	0.99
Share Issue expenses	0.75	-
Total Deferred Tax Assets (B)	4.17	2.65
Deferred Tax Liability/(Asset) / (Net) (A-B)	(0.76)	0.87

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	0.87	0.82
Recognized in Profit and loss statement	(0.88)	0.05
Recognized in Other comprehensive Income	-	-
Recognized in Equity	(0.75)	-
Closing Balance	(0.76)	0.87

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

NOTE NO 16 NON CURRENT LIABILITIES

Particulars	As at 31st March 2022	As at 31st March 2021
Contract Liabilities	15.70	27.37
Total	15.70	27.37

NOTE NO 17 BORROWINGS

Particulars	As at 31st March 2022	As at 31st March 2021
Secured Loans repayable on demand from Banks		
(i) Cash credit/ working capital demand loans	5.62	21.30
Unsecured Loans		
From Banks	-	0.29
From Directors	-	0.51
From Others	-	0.58
Current Maturities of Long term Debts	0.42	0.78
Total	6.04	23.46

Working capital facility represents facilities availed from Banks secured by charge on book debts and inventory and first charge on entire assets of the company both present and future. The credit facility is also personally guaranteed by two promoter directors of the company

NOTE NO 18 TRADE PAYABLES

Particulars	As at 31st March 2022	As at 31st March 2021
Trade Payables		
- Total outstanding dues of Micro and Small Enterprises	3.72	0.24
- Total outstanding dues of creditors other than Micro and Small Enterprises	34.43	11.76
Total	38.15	12.00

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

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

The disclosure pursuant to said MSMED Act are as follows :

Particulars	As at 31st March 2022	As at 31st March 2021
(i) The amounts remaining unpaid to suppliers as at the end of the year		
Principal	3.72	0.24
Interest	-	-
(ii) The amount of interest paid to the buyer in terms of Section 16 of the MSMED Act 2006	-	0.12
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	As at 31st March 2022	As at 31st March 2021
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Refer Note 46(B) for disclosure related to aging of Trade payables

NOTE NO 19 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March 2022	As at 31st March 2021
Payable to employees	3.93	3.33
Expenses Payable	0.79	0.68
Payable towards share issue expenses	13.93	-
Capital Creditors	3.42	-
Total	22.07	4.01

NOTE NO 20 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2022	As at 31st March 2021
Contract Liabilities	20.84	19.13
Statutory Dues	1.84	5.51
Total	22.68	24.64

NOTE NO 21 CURRENT PROVISIONS

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Gratuity	0.50	0.59
Provision for Compensated absences	0.22	0.13
Provision for Corporate social responsibility	-	0.24
Total	0.72	0.96

NOTE NO 22 CURRENT TAX LIABILITIES

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Income tax (Net off Advance tax and TDS)	12.48	5.13
Total	12.48	5.13

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

NOTE NO 23 REVENUE FROM CONTRACT WITH CUSTOMERS

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Sale of products	285.02	196.16
Sale of Services	25.83	27.79
Total	310.85	223.95

NOTE NO 24 OTHER INCOME

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Interest Income from Banks deposits	3.92	2.17
Interest Income from Other deposits	0.04	0.05
Foreign Exchange Gain (Net)	-	0.26
Reversal of excess amortization on leasehold land	-	0.12
Total	3.96	2.60

NOTE NO 25 COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Opening Stock of Raw materials	42.48	40.72
Add: Purchases	132.09	64.73
Less: Closing Stock of Raw materials	82.97	42.48
Consumption of Raw Materials	91.59	62.97

NOTE NO 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
A.Increase/(Decrease)in Inventories		
A. Opening Stock		
Work-in-progress	17.18	15.77
Finished Stocks	14.08	22.93
	31.27	38.70
B. Closing Stock		
Work-in-progress	20.24	17.18
Finished Stocks	16.55	14.08
	36.79	31.26
Change in Stock (A -B)	(5.52)	7.44
Changes in inventories of finished goods, work in progress and Stock-in- trade	(5.52)	7.44

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

NOTE NO 27 EMPLOYEE BENEFIT EXPENSE

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Salaries and wages	54.05	41.91
Directors' Remuneration	1.92	1.26
Company's Contribution to Provident and other funds	3.88	2.90
Staff welfare expenses	2.50	2.35
Total	62.35	48.42

Refer Note no 39 with respect to related party disclosures for payment to Key managerial personnel

NOTE NO 28 FINANCE COST

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Interest on Borrowings	3.69	8.61
Other Borrowing cost	5.18	5.14
Interest on Lease Liability	0.30	0.45
Interest on Income tax	1.82	0.30
Total	10.99	14.50

NOTE NO 29 DEPRECIATION / AMORTIZATION

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Depreciation on PPE / Amortization of Intangible assets	5.16	3.30
Amortization of Right of Use Assets	1.47	2.27
Total	6.63	5.57

NOTE NO 30 OTHER EXPENSES

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Power and Fuel	2.51	2.37
Rent	0.20	0.39
Repairs and Maintenance	1.41	1.77
Rates and Taxes	0.91	0.79
Insurance	0.41	0.33
Travelling Expenses	2.32	1.44
Printing and Stationery	0.33	0.20
Communication Expenses	0.28	0.28
Freight, Packing and Forwarding	0.36	0.17
Subscription	0.01	0.01
Housekeeping and security charges	1.03	0.77
Legal and Professional Expenses	5.22	2.58
Auditor's remuneration (Refer note below)	0.18	0.12
Foreign Exchange Loss (Net)	1.70	-
Business Promotion Expenses	1.85	0.33
Bad Debts- written off	1.28	1.00
Advance written off	0.21	-
Corporate social responsibility cost	0.76	0.29
Miscellaneous Expenses	0.42	0.29
Total	21.39	13.13

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Auditor's remuneration*		
As statutory audit fee	0.15	0.12
As Limited review fee	0.03	-
Reimbursement of expenses	-	-
Other Certifications	-	-
	0.18	0.12

* Net of Rs 0.53 crore incurred during the year ended March 31,2022 towards IPO.

Note No 31 Income tax and Deferred tax

Income tax recognized in statement of Profit and loss

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Income tax expense		
Current period	32.93	18.91
Changes in estimates related to prior years	1.36	-
Deferred tax expense		
Origination and reversal of temporary differences	(0.88)	0.05
Income tax expense	33.41	18.95

Income tax recognized in Other comprehensive Income

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Income tax expense		
Remeasurement of the net defined benefit liability/(asset)	(0.39)	(0.32)
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Income tax expense	(0.39)	(0.32)

Reconciliation of estimated income tax to income tax expense

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Profit before tax as shown in the Statement of Profit and Loss	127.38	74.52
Enacted Income tax rate in India	25.168%	25.168%
Computed expected tax expenses	32.06	18.76
Effect of:		
Depreciation allowance / disallowance under IT Act	(0.26)	0.01
Adjustments for IND AS 116	(0.01)	0.05
Expenses allowable on payment basis	0.67	(0.02)
Expenses that are not deductible in determining taxable profit	0.66	0.34
Income not chargeable to tax/ expenses not deductible	0.00	0.00
Deductions allowed under Income tax act	(0.18)	(0.22)
Tax effect on items recognized in OCI	(0.39)	(0.32)
Income tax expense	32.54	18.59
Recognised in Profit and loss account	32.93	18.91
Recognized in Other comprehensive Income	(0.39)	(0.32)
	32.54	18.59

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Note No 32 Contingent Liabilities and commitments

Particulars	As at 31st March 2022	As at 31st March 2021
Contingent liabilities:		
Disputed Demands under Appeals		
i) Sales Tax	1.21	1.21
ii) Service Tax	0.48	0.48
iii) Income Tax	1.38	1.38

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

Uncertainty over Income tax treatment

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

Bank Guarantees

Particulars	As at 31st March 2022	As at 31st March 2021
Bank Guarantees given	150.21	131.59

B Commitments

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	13.31	30.68

Note No 33 Employee benefit plans

a) Defined contribution plans

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

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Contribution to provident fund recognised in statement of profit and loss	2.77	1.91

b) Defined benefit plans

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

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

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

	As at 31st March 2022	As at 31st March 2021
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present value DBO at the beginning of the year	8.58	6.58
Service cost	0.23	0.46
Interest cost	0.68	0.45
Remeasurement(gain)/loss		-
Actuarial (gain)/loss arising from experience financial and demographic adjustments	1.51	1.26
Benefits paid	(0.47)	(0.17)
Present value DBO at the end of the year	10.54	8.58
ii) Change in fair value of plan assets during the year:		
Fair value of plan assets as at beginning of the year	0.40	0.17
Expected return on planned assets	-	-
Contributions	0.71	0.40
Benefits paid	(0.47)	(0.17)
Re-measurement gain/(loss)	-	-
Fair value of plan asset at the end of the year	0.64	0.40
iii) Amount recognised in the balance sheet		
Present value DBO at the end of the year	10.54	8.58
Fair value of the plan assets at the end of the year	0.64	0.40
(Liability) / Asset recognised in the Balance sheet - net	(9.90)	(8.18)
iv) Components of employer expenses:		
Current service cost	0.23	0.46
Interest cost/ (income) on net defined benefit obligation	0.67	0.44
Expense recognised in Statement of Profit t and Loss	0.90	0.90
v) Re-measurement on the net defined benefit obligation		
Return on plan assets (excluding interest income)	-	(0.01)
Actuarial loss arising from changes in financial assumptions	0.01	0.01
Actuarial loss arising from changes in experience adjustments	1.53	1.26
Actuarial (Gains)/losses arising from changes in demographic assumptions		
Re-measurements recognised in other comprehensive income	1.54	1.28

ASSUMPTIONS

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

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate	7.3%	6.82%
Expected rate of return	7.3%	6.82%
Expected salary increment	7.0%	5.00%
Attrition rate		
a.) For service 4 years and below	14.0%	5.00%
b.) For service 5 years and above	3.0%	
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Sensitivity analysis - DBO at the end of the year

Particulars	As at 31st March 2022	As at 31st March 2021
i Discount -1%	(1.16)	(0.62)
ii Discount +1%	0.97	0.71
iii Escalation -1%	0.73	0.39
iv Escalation +1%	(0.77)	(0.55)
v Mortality x 95%	-	-
vi Mortality x 105%	-	-
vii Attrition -1%	(0.14)	(0.12)
viii Attrition +1%	0.12	0.13
ix Rs.1,000,000 Benefit Ceiling	-	-
x No Benefit Ceiling	-	-

Particulars	As at 31st March 2022	As at 31st March 2021
Weighted average duration of DBO (in years)	10	10
Expected cash flows		
1 Expected employer contribution in the next year		
2 Expected benefit payments		
Year 1	1.20	0.59
Year 2	0.62	0.96
Year 3	0.49	0.95
Year 4	1.00	0.61
Year 5	0.67	1.33
Beyond 5 years	23.82	12.58

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

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

Note No 34 Earnings per share

	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Profit after taxation (Rs in Crores)	93.97	55.56
Weighted average number of equity shares outstanding during the period (Refer Note below)	4,82,43,718	4,67,44,225
Basic and diluted earnings per share- (Face value – Rs.2/- per share) (In INR)	19.48	11.90

Note:

*The shareholders of the company vide its Annual General meeting held on 12th August 2021 have approved the following

- Sub Division of nominal value of equity shares with Face value of Rs 10 each to Face value of Rs 2 each
- Issue of Bonus shares in the ratio of 1:4 (i.e 4 fully paid up equity share for every 1 equity share held)

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

The shareholders of the company vide its extra ordinary general meeting held on 03rd September 2021 have approved the issue of bonus shares in the ratio of 10:1 (i.e 1 fully paid up equity share for every 10 equity share held)

The Basic and Diluted Earnings per share have been calculated considering the above changes in the number of shares for all the prior periods reported.

Note No 35 Details on unhedged foreign currency exposures

Particulars	Currency	As at 31st March 2022	As at 31st March 2021
Amount receivable in foreign currency - Exports	USD	0.23	0.15
	GBP	0.03	0.02
Amount payable in foreign currency - Imports	USD	0.35	0.12
	EUR	0.01	-
	GBP	-	-

Note No 36 Segment Reporting

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

A. Information about geographical areas

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

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
(a) India	273.10	181.57
(b) Outside India	37.75	42.38
	310.85	223.95

The company does not own any non current assets outside India

B. Information about major customers

Customers individually accounting for more than 10% of the revenues of the company for the relevant period ended is listed below

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
No of customers	3	3
% of Revenue from above customers to total revenue from operations	45.5%	48.7%

Note No 37 Capital Management

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

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

Particulars	As at 31st March 2022	As at 31st March 2021
Total equity	574.51	207.93
Non Current Borrowings	0.73	9.77
Current Borrowings	6.04	23.46
Total Debt	6.76	33.23
Total Capital (Equity + Debt)	581.27	241.16
Equity as a % of total capital	99	86
Debt as a % of total capital	1	14

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Note No 38 Financial instruments

Categories of financial instruments

Particulars	As at 31st March 2022	As at 31st March 2021
A. Financial assets		
Measured at Fair value through profit or loss (FVTPL):	-	-
Measured at Fair value through Other comprehensive Income (FVTOCI):	-	-
Measured at Amortised cost:		
Security Deposits	4.46	1.56
Margin Money Deposits	116.27	32.66
Trade Receivables	198.31	155.94
Cash and Cash Equivalents	177.08	8.80
Advances to Employees	0.40	0.44
Interest accrued but not due	5.53	3.60
Other advances	-	0.18
Other Receivables	-	0.72
	502.05	203.91
B. Financial liabilities		
Measured at Amortised cost		
Borrowings	6.76	33.23
Trade Payables	38.15	12.00
Other Financial Liabilities	22.07	4.01
Lease Liabilities	2.43	3.95
	69.42	53.19

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

Financial risk management objectives

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

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

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

Credit Risk

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

Significant amount of trade receivables are due from Government /Government Departments and Public sector undertakings (PSU) consequent to which the Company does not have a credit risk associated with such receivables. The impairment of trade receivables is based on modified expected credit loss model. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 38

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

Liquidity Risk

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

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

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

As at 31st March 2022

Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	5.62	-	-
Non Current Borrowings	0.42	0.45	0.28
Trade Payables	38.15	-	-
Other Financial Liabilities	22.07	-	-
Lease Liabilities	1.32	1.03	0.08

As at 31st March 2021

Nature	Less than 1 year	1- 2 Years	More than 2 Years
Current Borrowings	22.68	-	-
Non Current Borrowings	0.78	3.06	6.71
Trade Payables	12.00	-	-
Financial Liabilities (Other than Lease Liabilities)	4.01	-	-
Lease Liabilities	1.51	1.34	1.10

Market Risk

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

Currency Risk

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

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

Particulars	Currency	As at	As at
		31st March 2022	31st March 2021
Amount receivable in foreign currency - Exports	USD	0.23	0.15
	GBP	0.03	0.02
Amount payable in foreign currency - Imports	USD	0.35	0.12
	EUR	0.01	-
	GBP	-	-

Note No 39 Related Party Disclosure

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

A) Key management personnel

Mr. Srinivasagopalan Rangarajan (Managing Director)

Ms. Rekha Murthy Rangarajan (Whole Time Director)

Mr Vijay Ananth (Chief Operating Officer and Chief Information Security Officer till 07th February 2022 and additional director w.e.f 08th Feb,2022)

Mr Venkata Subramanian Venkatachalam (Chief Financial Officer w.e.f 03rd September 2021)

Ms. Manvi Bhasin (Company Secretary and Compliance Officer w.e.f 19th July 2021)

B) Relatives of Key management personnel

Mrs. Vasundara Keshava Murthy

Related Party Transactions

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

The following transactions were carried out with the Related Parties.

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Key Management Personnel (KMP)		
Remuneration to Key Management Personnel	2.43	1.26
Loans repaid	0.52	17.77
Loans received	-	-
Interest on loan	0.01	2.89
Dividend paid	7.00	0.24
Outstanding Balance of Loan	-	0.51
Relative of Key Management Personnel (KMP)		
Dividend	0.18	0.01

Note No 40 Additional disclosures under IndAS 115

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

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

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

Particulars	For the year ended	
	31st March 2022	31st March 2021
Revenue as per Contracted Price	310.85	223.95
Less: Discounts	-	-
Revenue as per Statement of Profit and Loss account	310.85	223.95

Timing of Revenue Recognition

Particulars	For the year ended	
	31st March 2022	31st March 2021
Revenue recognized at a point in time	310.85	223.95
Revenue recognized over a period of time	-	-
Total	310.85	223.95

Recognition of contract liabilities

Particulars	As at	
	31st March 2022	31st March 2021
Contract liabilities at the beginning of the period	46.50	33.10
Add: Consideration received during the year as advance	27.20	38.04
Less : Revenue recognised during the period	(37.16)	(24.64)
Contract liabilities at the end of the period	36.54	46.50

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Note No 41 Leases Disclosure:

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

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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening Balance	3.95	5.93
Add: Recognized / (deleted) during the year	-	0.10
Add: Accretion of Interest	0.30	0.45
less: Lease Payments	(1.82)	(2.54)
Closing Balance	2.43	3.95
On the above		
Current	1.32	1.51
Non Current	1.11	2.43
Maturity Analysis of Lease liability	Less than one year	1-5 Years
As at 31st March 2022	1.32	1.11
As at 31st March 2021	1.51	2.43

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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation on right -of use assets	1.47	2.27
Interest expenses on Lease liability	0.30	0.45
Expenses relating to short -term leases	0.20	0.39
Expenses related to low value assets	-	-
Total	1.98	3.13

Note No 42 Corporate Social responsibility:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Gross amount required to be spent by the company during the year/ period	0.76	0.29
Amount spent	0.76	0.05
Shortfall at the end of the year	-	0.24
Total of previous years shortfall	-	0.24
Reason for shortfall	-	-
Nature of CSR activities:	Promoting Education, setting up homes for senior citizens, Contribution to PM CARES fund.	
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Note No 43 Issue of shares:

Issue of equity shares through IPO:

The Company has completed Initial public Offering (IPO) of its equity shares, comprising a fresh issue of 51,42,425 equity shares (including Pre IPO placement of 10,39,861 equity shares) and offer for sale of 59,52,550 equity shares by the existing selling shareholders at an offer price of Rs. 585 per equity share (Rs 577 for Pre IPO placement) . Pursuant to the IPO, the equity shares were allotted on December 22, 2021 and listed on the BSE Limited and National Stock Exchange of India Limited on December 24, 2021.

IPO expenses:

The total IPO expenses incurred INR 42.56 crores (on provisional basis) (inclusive of taxes) have been proportionately allocated between the selling shareholders and the company. The Company's share of expenses (net of tax of INR 0.75 crore) of INR 15.14 crores has been adjusted against securities premium account.

Utilisation of proceeds from IPO and pre-IPO placement

The details of utilization of proceeds from IPO and pre-IPO placement, net of IPO expenses are as follows:

Particulars	Total	Utilized Upto 31st March 2022	Un-utilized Upto 31st March 2022
Prepayment or repayment of outstanding borrowings availed by our Company	60.08	60.08	-
Working capital requirements	95.19	-	95.19
Upgradation and expansion of existing facility	59.84	17.39	42.45
General Corporate purposes	66.31	49.07	17.24
	281.42	126.54	154.88

Unutilised IPO Proceeds as at March 31, 2022 are available as

- Fixed Deposits with monitoring agency amounting to INR 150 crores
- Bank balances in monitoring agency account amounting to INR 4.88 crores (Refer Note 7)

Note No 44 Impact on account of COVID 19:

In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25th March 2020 to contain spread of COVID-19 virus and partial lockdown during FY 2021-22, the operations of the Company were shut down. Though this has impacted the normal operations of the Company by way of interruption in production, supply chain disruption and unavailability of personnel, there has been no material impact on the financial performance of the Company for the quarter and year ended 31st March 2022.

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

Note No 45 Ratios as required under Schedule III of Companies Act, 2013

a) Current Ratio

Particulars	31st March 2022	31st March 2021
Current Assets as at	519.85	261.32
Current Liabilities as at	103.46	71.71
Ratio	5.02	3.64
% Change from Previous Period / Year	37.88%	

Reason for Variance more than 25%

Due to unutilized IPO proceeds held as fixed deposits (maturity less than or equal to 90 days) as at

31st March 2022

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

b) Debt Equity Ratio

Particulars	31st March 2022	31st March 2021
Total Debt as at	6.76	33.23
Total Equity as at	574.51	207.93
Ratio	0.01	0.16
% Change from Previous Year	-92.63%	

Reason for Variance more than 25%

Due to repayment of Short term and long term borrowings and increase in equity on account of IPO

c) Debt Service Coverage Ratio

Particulars	31st March 2022	31st March 2021
Profit before Tax for the year	127.38	74.52
Add : Depreciation & Amortisation for the year	6.63	5.57
Add : Finance Cost for the year	10.99	14.50
Earnings available for Debt Service for the year	145.00	94.59
Interest Cost on Borrowings for the year	1.04	0.23
Principal Repayments for the year	16.37	0.11
Total	17.41	0.34
Ratio	8.33	278.21
% Change from Previous Year	-97.01%	

Reason for Variance more than 25%

Due to preclosure of Long term borrowings.

d) Return on Equity / Return on Investment Ratio

Particulars	31st March 2022	31st March 2021
Profit after Tax for the year	93.97	55.56
Total Equity as at	574.51	207.93
Ratio	16.36%	26.72%
% Change from the Previous Year	-38.79%	

Reason for Variance more than 25%

Due to increase in equity on account of IPO.

e) Inventory Turnover Ratio

Particulars	31st March 2022	31st March 2021
Cost of Materials Consumed + Changes in Inventory for the year	86.07	70.41
Average Inventory	96.76	76.58
Ratio	0.89	0.92
% Change from the Previous Year	-3.24%	

f) Trade Receivables Turnover Ratio

Particulars	31st March 2022	31st March 2021
Revenue from Operations for the year	310.85	223.95
Average Trade Receivables	177.12	135.78
Ratio	1.75	1.65
% Change from the Previous Year	6.41%	

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

g) Trade Payables Turnover Ratio

Particulars	31st March 2022	31st March 2021
Purchases for the year/	132.09	64.73
Average Trade Payables	25.07	14.63
Ratio	5.27	4.42
% Change from the Previous Year	19.08%	

h) Net Capital Turnover Ratio

Particulars	31st March 2022	31st March 2021
Revenue from Operations for the year	310.85	223.95
Net Working Capital as at*	244.93	203.49
Ratio	1.27	1.10
% Change from the Previous Year	15.32%	

*(Current assets - Cash and Cash equivalents) - (Current Liabilities - Short term borrowings)

i) Net Profit Ratio

Particulars	31st March 2022	31st March 2021
Profit after Tax for the year	93.97	55.56
Revenue from Operation for the year	310.85	223.95
Ratio	30.23%	24.81%
% Change from the Previous Year	21.85%	

j) Return on Capital Employed

Particulars	31st March 2022	31st March 2021
Earnings before Interest & Tax for the year	138.38	89.02
Total Equity + Debt as at	575.24	217.70
Ratio	24.06%	40.89%
% Change from the Previous Year	-41.17%	

Reason for Variance more than 25%

Due to increase in equity on account of IPO.

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

Note No 46 Additional Disclosures

A Aging of Trade Receivables

As at 31st March 2022

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	158.37	20.45	9.45	2.11	7.92	198.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	

As at 31st March 2021

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	106.52	7.83	14.29	25.00	2.29	155.94
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	

B Aging of Trade Payables

As at 31st March 2022

Particulars	Outstanding for following periods from the date of invoice				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	3.72	-	-	-	3.72
(ii) Others	33.81	-	-	0.61	34.42
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31st March 2021

Particulars	Outstanding for following periods from the date of invoice				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	0.24	-	-	-	0.24
(ii) Others	11.14	0.04	-	0.59	11.76
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

C The Company has paid final dividend of Rs 11.9 crores for the FY 2020-21 during August 2021 upon receipt of approval from members in the Annual General meeting.

The Board of Directors have recommended a dividend of Rs 3.50 /- per share on equity shares of Rs 2/- each for the Financial Year 2021-22 subject to approval of Members at the Annual General Meeting.

D The company has not been declared as a wilful defaulter by any bank or financial institution or other lenders as defined under the guidelines on wilful defaulters issued by the Reserve Bank of India.

E The company has not transacted with other companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

F The Company does not have Investments in other companies and hence compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 does not apply.

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

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

The above scheme was given effect in preparation and presentation of the financial statements of the last year (FY 2020-21) in accordance with the scheme of arrangement and the accounting standards.

H "No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

I There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

J The Company has borrowings from banks or financial institutions on the basis of security of current assets held during the financial year. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts except as disclosed as under:

Amount in INR crores

Particulars	Amount as per Books of Account	Amount as per Returns submitted to Banks	Difference	Remarks
	A	B	C = A-B	
Trade Receivables				
As at 30th June 2021	151.07	155.53	(4.46)	Difference is due to TDS and TCS under Income Tax, netting off of debtors and creditors balances, and Liquidated Damages not considered in the returns submitted to Banks.
As at 30th September 2021	134.51	135.16	(0.65)	
As at 31st December 2021	119.28	122.65	(3.37)	
Trade Payables				
As at 30th June 2021	(3.25)*	3.01	(6.26)	Difference is due to advances paid to suppliers not considered in the returns submitted to Banks
As at 30th September 2021	(2.95)*	0.92	(3.87)	
As at 31st December 2021	(0.1)*	2.84	(2.94)	
Inventories				
As at 30th September 2021	86.81	83.89	2.92	Differences in conversion cost considered in the returns submitted to the banks as compared to the conversion cost considered at the time of quarterly closure of books of account.
As at 31st December 2021	106.51	102.47	4.04	

**Represents debit balances in vendor ledgers (net)

Note: The Company has not submitted its quarterly stock statements for the quarter ended 31 March 2022 as on the date of approval of financial statements by the Board of Directors."

Notes to Financial Statement for the year ended 31st March, 2022

(All figures are in INR Crores unless specifically stated otherwise)

- K** There are no charges / satisfaction yet to be registered with ROC beyond the statutory period as prescribed under the Companies Act, 2013.
- L** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- M** The Company does not have any transactions, which are not recorded in the books of account, 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)

For and on behalf of the Board

Srinivasagopalan Rangarajan

Director

DIN : 00643456

Rekha Murthy Rangarajan

Director

DIN : 00647472

Venkata Subramanian Venkatachalam

Chennai Chief Financial Officer

For R.G.N. Price & Co.,

Chartered Accountants

FR No.0027855

K Venkatakrisnan

Partner

M.No. 208591

Manvi Bhasin

Company Secretary

M No: 49883

Place: Chennai

Date: 23rd May 2022



Data Patterns (India) Limited

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