

# **Saankhya Labs Private Limited**

**Audited Standalone Financial Statements March 31, 2024**

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**1. Corporate Information**

Saankhya Labs Private Limited, ('SL' or 'the Company') provides premier wireless communication and semiconductor solutions. The Company designs and develops a full spectrum of next-gen communication solutions which includes products and solutions for broadband, satellite and broadcast applications including 5G NR, Direct To Mobile (D2M) Broadcast, rural broadband connectivity, satellite communication modems for IoT applications and multi-standard DTV modulators and demodulators. The Company was incorporated on December 29, 2006 under the provisions of the Indian Companies Act, 1956.

The Company is incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has a subsidiary company Saankhya Labs Inc. in United States of America and acquired 99.99% stake in Saankhya Strategic Electronics Private Limited.

These financial statements have been approved by the Company's Board of Directors on April 19, 2024.

**1 A ) Basis of preparation of standalone financial statements****(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments measured at fair value.

**(iii) New and amended standards adopted**

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2023.

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly effect the current or future reporting periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**(iv) Standard issued but not yet effective**

The MCA notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**(v) Operating cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**(vi) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore with two decimals as per the requirement of Schedule III, unless otherwise stated.

**2. Critical estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

- Product Development costs (including intangible assets under development) and assessment of their carrying value - Refer note 3(b)
- Defined benefit obligations - Refer note 14
- Impairment for investment in subsidiaries - Refer note 4
- Deferred Tax assets on tax losses – Refer note 6(b)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

As at

Standalone Balance Sheet	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	446.90	661.12
Right-of-use assets	3(a)	3.43	140.23
Intangible assets	3(b)	0.90	2.95
Intangible assets under development	3(b)	4,333.98	3,634.63
<b>Financial assets</b>			
(i) Investments	4	694.23	784.23
(ii) Other financial assets	5(a)	522.86	155.03
Current tax asset (net)	6(a)	569.66	530.16
Deferred tax assets (net)	6(b)	1,033.85	1,161.76
Other non-current assets	7(a)	1,176.82	973.37
<b>Total non-current assets</b>		<b>8,782.63</b>	<b>8,043.48</b>
<b>Current assets</b>			
Inventories	8	1,397.21	1,879.12
<b>Financial assets</b>			
(i) Trade receivables	9	1,982.96	2,501.85
(ii) Cash and cash equivalents	10(a)	3,098.30	233.19
(iii) Bank balances other than (ii) above	10(b)	1,703.95	436.22
(iv) Other financial assets	5(b)	176.15	244.44
Other current assets	7(b)	397.22	254.59
<b>Total current assets</b>		<b>8,755.79</b>	<b>5,549.41</b>
<b>Total assets</b>		<b>17,538.42</b>	<b>13,592.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	870.17	870.17
Other equity	12	7,684.45	7,175.25
<b>Total equity</b>		<b>8,554.62</b>	<b>8,045.42</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	13(a)	-	4.26
Provisions	14	89.97	8.60
<b>Total non-current liabilities</b>		<b>89.97</b>	<b>12.86</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	13(b)	4.26	155.24
(ii) Trade payables	15		
(a) Total outstanding dues of micro enterprises and small enterprises		315.89	140.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		183.36	232.70
(iii) Other financial liabilities	16	6,570.83	3,129.75
Contract Liabilities	17	1,052.40	818.72
Provisions	14	214.40	147.92
Other current liabilities	18	552.69	909.58
<b>Total current liabilities</b>		<b>8,893.83</b>	<b>5,534.61</b>
<b>Total liabilities</b>		<b>8,983.80</b>	<b>5,547.47</b>
<b>Total equity and liabilities</b>		<b>17,538.42</b>	<b>13,592.89</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date.

for Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (FRN 012754N/N500016)

for and on behalf of the Board of Directors of  
Saankhya Labs Private Limited

Mohan Danivas S A  
Partner  
Membership no: 209136  
Place: Bengaluru  
Date: April 19, 2024

Vishwakumara Kayargadde  
Director  
DIN:00751260  
Place: Bengaluru  
Date: April 19, 2024

Parag Naik  
Director  
DIN:01055996  
Place: Bengaluru  
Date: April 19, 2024



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Standalone Statement of Profit and Loss	Notes	Year ended	
		March 31, 2024	March 31, 2023
Revenue from operations	19	10,428.09	8,220.84
Other Income	20	118.97	280.48
<b>Total income</b>		<b>10,547.06</b>	<b>8,501.32</b>
<b>Expenses</b>			
Cost of materials consumed	21A	271.72	761.27
Changes in inventories of work-in-progress	21B	334.38	(417.63)
Employee benefit expense	22	5,412.17	6,400.15
Finance costs	23	26.49	66.83
Depreciation and amortization expense	3(c)	418.57	787.00
Other expenses	24	3,477.63	4,369.76
<b>Total expenses</b>		<b>9,940.96</b>	<b>11,967.38</b>
<b>Profit/(Loss) before tax</b>		<b>606.10</b>	<b>(3,466.06)</b>
<b>Income tax expense</b>	25		
Current tax			
- Tax relating to current year		-	-
- Tax relating to earlier years		-	(31.50)
Deferred tax expense/(benefit)		138.56	(978.51)
<b>Total tax expense</b>		<b>138.56</b>	<b>(1,010.01)</b>
<b>Profit/(Loss) after tax</b>		<b>467.54</b>	<b>(2,456.05)</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation	22	(36.59)	(53.47)
Income tax relating to above		10.65	15.57
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(25.94)</b>	<b>(37.90)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>441.60</b>	<b>(2,493.95)</b>
<b>Earnings/(Loss) per equity share</b>			
<b>Equity shares of par value Rs. 10 each</b>			
Basic (in Rs.)	33	5.07	(28.66)
Diluted (in Rs.)	33	4.56	(28.66)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date.

for Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (FRN 012754N/N500016)for and on behalf of the Board of Directors of  
Saankhya Labs Private LimitedMohan Danivas S A  
Partner  
Membership no: 209136Place: Bengaluru  
Date: April 19, 2024Vishwakumara Kayargadde  
Director  
DIN:00751260Place: Bengaluru  
Date: April 19, 2024Parag Naik  
Director  
DIN:01055996  
Place: Bengaluru  
Date: April 19, 2024

## Saankhya Labs Private Limited

CIN: U7220KA2006PTC041339

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Standalone Statement of Cash Flows	As at	
	March 31, 2024	March 31, 2023
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax for the year	606.10	(3,466.06)
Adjustments to reconcile net profit/(loss) to net cash generated by operating activities:		
Depreciation and amortization expense	418.57	787.00
Provision for diminution in value of investment	90.00	-
Interest Income	(86.88)	(73.48)
Interest expense	8.32	64.77
Unwinding of discount on fair value of security deposits	(14.66)	(51.32)
Gain on termination of leases	-	(44.84)
Unrealised (Loss)/gain on foreign currency transactions	(22.05)	37.88
Share based payment expenses	67.60	177.14
	<b>1,067.00</b>	<b>(2,568.91)</b>
Movements in working capital:		
(Increase)/decrease in inventories	481.91	(35.03)
(Increase)/decrease in trade receivables	518.89	2,257.86
(Increase)/decrease in other financial assets	(522.16)	135.30
(Increase)/decrease in other assets	(359.88)	(228.57)
Increase/(decrease) in trade and other payables	125.85	(529.28)
Increase/(decrease) in contract liabilities	233.68	(1,042.90)
Increase/(decrease) in provisions	147.85	(91.91)
Increase/(decrease) in other financial liabilities	3,441.08	3,105.15
Increase/(decrease) in other liabilities	(356.89)	(87.71)
<b>Cash generated from operations</b>	<b>4,777.33</b>	<b>914.00</b>
Income taxes refund/(paid)	(39.50)	(230.76)
<b>a) Net cash generated from operating activities</b>	<b>4,737.83</b>	<b>683.24</b>
<b>Cash flows from investing activities</b>		
Expenditure on property, plant and equipment	(49.99)	(281.09)
Expenditure on intangible assets (including under development) [Net off grants received Rs. 216.43 (March 31, 2023 Nil)]	(701.06)	(1,733.97)
Investments made in bank deposits (Net of withdrawals)	(1,036.93)	(401.09)
Interest received	78.70	75.66
Investment in subsidiaries	-	(90.00)
<b>b) Net cash used in investing activities</b>	<b>(1,709.28)</b>	<b>(2,430.49)</b>
<b>Cash flows from financing activities</b>		
Principal repayment on lease liabilities	(155.24)	(262.21)
Interest on lease liabilities	(8.32)	(64.77)
<b>c) Net cash used in financing activities</b>	<b>(163.56)</b>	<b>(326.98)</b>
<b>d) Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>2,864.99</b>	<b>(2,074.23)</b>
Cash and cash equivalents at the beginning of the year [Refer Note No. 10(a)]	233.19	2,307.22
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.12	0.20
<b>Cash and cash equivalents at the end of the year [Refer Note No. 10(a)]</b>	<b>3,098.30</b>	<b>233.19</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date.

for Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (FRN 012754N/N500016)for and on behalf of the Board of Directors of  
Saankhya Labs Private LimitedMohan Danivas S A  
Partner  
Membership no: 209136  
Place : Bengaluru  
Date: April 19, 2024Vishwakumara Kayargadde  
Director  
DIN: 00751260  
Place: Bengaluru  
Date: April 19, 2024Parag Naik  
Director  
DIN: 01055996  
Place: Bengaluru  
Date: April 19, 2024

Saankhya Labs Private Limited

CIN: U7220KA2006PTC041339

**Standalone Statement of Changes in equity for the year ended March 31, 2024**

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**A. Equity Share Capital**

Particulars	Note	Amount
As at April 1, 2022		361.47
Movement during the year	11	508.70
As at March 31, 2023		870.17
Movement during the year	11	-
As at March 31, 2024		870.17

**B. Other Equity**

Particulars	Notes	Reserves and Surplus			Total
		Securities premium	Employee stock compensation outstanding account	Retained earnings	
<b>Balance as at April 01, 2022</b>		<b>8,974.95</b>	<b>2,027.59</b>	<b>(23,075.15)</b>	<b>(12,072.61)</b>
(Loss) for the year	12	-	-	(2,456.05)	(2,456.05)
Other comprehensive income/(loss) (Remeasurement of defined benefit obligation net of income tax)	12	-	-	(37.90)	(37.90)
<b>Total comprehensive (loss)/income for the year</b>		<b>-</b>	<b>-</b>	<b>(2,493.95)</b>	<b>(2,493.95)</b>
<b>Transaction with owners in their capacity as owners:</b>					
Employee Share based payment expenses	22	-	177.14	-	177.14
Reclassification upon exercise of ESOP/RSU	39	358.01	(358.01)	-	-
Changes during the year on account of modification of securities		6,089.32	-	15,475.35	21,564.67
<b>Balance as at March 31, 2023</b>		<b>15,422.28</b>	<b>1,846.72</b>	<b>(10,093.75)</b>	<b>7,175.25</b>
<b>Balance as at April 01, 2023</b>		<b>15,422.28</b>	<b>1,846.72</b>	<b>(10,093.75)</b>	<b>7,175.25</b>
Profit for the year	12	-	-	467.54	467.54
Other comprehensive (loss)/income (Remeasurement of defined benefit obligation net of income tax)	12	-	-	(25.94)	(25.94)
<b>Total comprehensive (loss)/income for the year</b>		<b>-</b>	<b>-</b>	<b>441.60</b>	<b>441.60</b>
<b>Transaction with owners in their capacity as owners:</b>					
Employee Share based payment expenses	39	-	67.60	-	67.60
<b>Balance as at March 31, 2024</b>		<b>15,422.28</b>	<b>1,914.32</b>	<b>(9,652.15)</b>	<b>7,684.45</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date.

for Price Waterhouse Chartered Accountants LLP  
Firm Registration Number (FRN 012754N/N500016)

for and on behalf of the Board of Directors of  
Saankhya Labs Private Limited

Mohan Danivas S A  
Partner  
Membership no: 209136  
Place: Bengaluru  
Date: April 19, 2024

Vishwakumara Kayargadde  
Director  
DIN:00751260  
Place: Bengaluru  
Date: April 19, 2024

Parag Naik  
Director  
DIN:01055996  
Place: Bengaluru  
Date: April 19, 2024

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 3(a): Property, Plant and Equipment**

**Accounting Policy**

**(i) Measurement**

All items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

**(ii) Depreciation method, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Asset	Useful Life	As per Companies Act
Furniture and fixtures	5 years	10 years
Office equipment	5 years	5 years
Computing equipment	3 years	5 years
Laboratory Equipment	5 years	5 years

Leasehold improvements are depreciated over the term of the lease or the useful life of the assets whichever is lower.

Based on a technical evaluation, the management believes that the useful lives of the above assets best represent the period over which the management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Schedule II to the Companies Act, 2013.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. Net gains and losses are included in the statement of profit and loss within other income/ other expenses.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Particulars	Leasehold Improvements	Lab & Electrical Equipments	Furniture and Fixtures	Office Equipment	Computer & Peripherals	Total	Right-of-use asset
<b>Gross carrying value as of April 1, 2022</b>	<b>9.20</b>	<b>542.86</b>	<b>21.48</b>	<b>26.20</b>	<b>193.60</b>	<b>793.34</b>	<b>1,101.56</b>
Additions	-	201.74	0.46	7.02	71.87	281.09	-
Deletions	-	-	-	-	-	-	618.04
<b>Gross carrying value as of March 31, 2023</b>	<b>9.20</b>	<b>744.60</b>	<b>21.94</b>	<b>33.22</b>	<b>265.47</b>	<b>1,074.43</b>	<b>483.52</b>
<b>Accumulated depreciation as of April 1, 2022</b>	<b>(4.35)</b>	<b>(54.05)</b>	<b>(3.09)</b>	<b>(5.43)</b>	<b>(63.15)</b>	<b>(130.07)</b>	<b>(357.10)</b>
Depreciation for the year	(4.36)	(180.33)	(9.44)	(7.04)	(82.07)	(283.24)	(304.70)
Accumulated depreciation on deletions	-	-	-	-	-	-	(318.49)
<b>Accumulated depreciation as of March 31, 2023</b>	<b>(8.71)</b>	<b>(234.38)</b>	<b>(12.53)</b>	<b>(12.47)</b>	<b>(145.22)</b>	<b>(413.31)</b>	<b>(343.29)</b>
<b>Carrying value as of March 31, 2023</b>	<b>0.49</b>	<b>510.22</b>	<b>9.41</b>	<b>20.75</b>	<b>120.25</b>	<b>661.12</b>	<b>140.23</b>
<b>Gross carrying value as of April 1, 2023</b>	<b>9.20</b>	<b>744.60</b>	<b>21.94</b>	<b>33.22</b>	<b>265.47</b>	<b>1,074.43</b>	<b>483.52</b>
Additions	-	47.84	-	0.21	15.74	63.79	-
Deletions	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2024</b>	<b>9.20</b>	<b>792.44</b>	<b>21.94</b>	<b>33.43</b>	<b>281.21</b>	<b>1,138.22</b>	<b>483.52</b>
<b>Accumulated depreciation as of April 1, 2023</b>	<b>(8.71)</b>	<b>(234.38)</b>	<b>(12.53)</b>	<b>(12.47)</b>	<b>(145.22)</b>	<b>(413.31)</b>	<b>(343.29)</b>
Depreciation for the year	(0.48)	(187.98)	(5.33)	(7.36)	(76.86)	(278.01)	(136.80)
Accumulated depreciation on deletions	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2024</b>	<b>(9.19)</b>	<b>(422.36)</b>	<b>(17.86)</b>	<b>(19.83)</b>	<b>(222.08)</b>	<b>(691.32)</b>	<b>(480.09)</b>
<b>Carrying value as of March 31, 2024</b>	<b>0.01</b>	<b>370.08</b>	<b>4.08</b>	<b>13.60</b>	<b>59.13</b>	<b>446.90</b>	<b>3.43</b>

**Note:**

Right to use assets pertains to buildings taken on lease (refer Note 32)

Saankhya Labs Private Limited  
CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024  
(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 3(b): Intangible Assets (including assets under development)**

**Accounting Policy**

**Software**

Software is carried at cost less accumulated amortization and impairment losses, if any. The cost of software comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxation authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on software after its purchase is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. The Company amortizes software over its license period.

**Product development and intangible assets under development**

Expenditure pertaining to research activities are charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless:

- i) There is likelihood of the product delivering sufficient future economic benefit; and
- ii) The Company has the availability of adequate technical, financial and other resources to complete and to use or sell the product, in which case such expenditure is initially recorded as intangible assets under development and is subsequently capitalized when the asset is ready for its intended use. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilized for research and development are capitalized and depreciated in accordance with the policy stated for property, plant and equipment.

Capitalized product development costs are recorded as intangible assets and amortised from the point at which the asset is ready for its intended use for a period of two years.

**Government Grants**

Grants from the government are recognised where the Company has complied with all attached conditions. Government Grants received relating to Intangible Assets under development is deducted from the gross value of the asset.

**Impairment of Non - financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development are tested for impairment on an annual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Particulars	Computer Software	Patent	Trademark	Total	Intangible Assets under development (IAUD (refer Note (i), (ii) and (iii) below)
<b>Gross carrying value as of April 1, 2022</b>					
Additions	70.14	170.89	0.02	241.05	1,917.29
Transfer	8.08	8.55	-	16.63	1,717.34
<b>Gross carrying value as of March 31, 2023</b>	<b>78.22</b>	<b>179.44</b>	<b>0.02</b>	<b>257.68</b>	<b>3,634.63</b>
<b>Accumulated amortization as of April 1, 2022</b>					
Amortization expenses for the year	(25.91)	(29.74)	(0.02)	(55.67)	-
Deletions	(49.36)	(149.70)	-	(199.06)	-
<b>Accumulated amortization as of March 31, 2023</b>	<b>(75.27)</b>	<b>(179.44)</b>	<b>(0.02)</b>	<b>(254.73)</b>	
<b>Carrying value as of March 31, 2023</b>	<b>2.95</b>	<b>-</b>	<b>-</b>	<b>2.95</b>	<b>3,634.63</b>
<b>Gross carrying value as of April 1, 2023</b>					
Additions	78.22	179.44	0.02	257.68	3,634.63
Transfer	1.71	-	-	1.71	915.78
Grants received (Refer Note (iii) below)	-	-	-	-	(216.43)
Deletions	-	-	-	-	-
<b>Gross carrying value as of March 31, 2024</b>	<b>79.93</b>	<b>179.44</b>	<b>0.02</b>	<b>259.39</b>	<b>4,333.98</b>
<b>Accumulated amortization and impairment as of April 1, 2023</b>					
Amortization expenses for the year	(75.27)	(179.44)	(0.02)	(254.73)	-
Deletions	(3.76)	-	-	(3.76)	-
<b>Accumulated amortization as of March 31, 2024</b>	<b>(79.03)</b>	<b>(179.44)</b>	<b>(0.02)</b>	<b>(258.49)</b>	
<b>Carrying value as of March 31, 2024</b>	<b>0.90</b>	<b>-</b>	<b>-</b>	<b>0.90</b>	<b>4,333.98</b>

**Notes:**

- (i) Additions to Intangible Assets under Development pertains to capitalisation of employee benefit expense and technical consultancy charges (refer note 22 and 24)
- (ii) In the view of the management, the above carrying value of the Intangible Assets Under Development (IAUD) is fully recoverable and no impairment is considered necessary as the Company has received intimation from its parent company that it will be compensated towards the above investment made by company in intangibles through appropriate mechanism which will be on a cost plus or revenue share model or any other model of compensation. (Also refer Note no. 49)
- (iii) During the year, the Company has applied for incentive under Design Linked Incentive (DLI) Scheme and has got approval from the Government of India, for design infrastructure support cost. The Company has received Rs. 216.43 as grant under this scheme towards the design infrastructure support cost and the same is adjusted with the capitalisation amount of Intangible Assets under Development.

Saankhya Labs Private Limited  
CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024  
(All amounts in Rupees Lakhs except for share data or as otherwise stated)

(iv) Ageing of Intangible assets under development

As at March 31, 2024

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	699.35	1,717.34	951.00	966.29	4,333.98
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,717.34	951.00	966.29	-	3,634.63
Projects temporarily suspended	-	-	-	-	-

(v) For Intangible assets under development, there are no projects whose completion is overdue as compared to its original plan. Also, there are no projects under development which have exceeded its cost compared to its original plan

Note No. 3(c): Depreciation and amortization expense

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment [Refer Note No. 3(a)]	278.01	283.24
Depreciation on Right of use assets [Refer Note No. 3(a)]	136.80	304.70
Amortization of intangible assets [Refer Note No. 3(b)]	3.76	199.06
<b>Total depreciation and amortization expense</b>	<b>418.57</b>	<b>787.00</b>



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 4: Investments****Accounting Policy**

Investment in subsidiaries are carried at cost.

Non current	March 31, 2024	March 31, 2023
<b>Investment in equity instruments (fully paid up) (at cost)</b>		
Unquoted		
1,250,000 (2023: 1,250,000) equity shares of Saankhya Labs Inc.	694.23	694.23
99,999 (2023: 99,999) equity shares of Saankhya Strategic Electronics Private Limited (refer note below)	90.00	90.00
Less:		
Provision for Diminution of Value	(90.00)	0.00
	<b>694.23</b>	<b>784.23</b>
Aggregate amount of unquoted investments	694.23	784.23
Aggregate amount of impairment in the value of investments	90.00	-

**Note:****(i) Impairment assessment**

Management has carried out an impairment evaluation of its investment in the subsidiaries as at March 31, 2024. Based on such assessment:-

- a) the Company has made impairment provision for the entire carrying value of investment in Saankhya Strategic Electronics Private Limited due to continuous losses and because of which the net worth is declining year on year and also there is no immediate plan for increase in operations of the subsidiary.
- b) the Company has concluded that no impairment is considered necessary for Investment in Saankhya Inc.. The company has used value in use method for its assessment and the key assumptions used include revenue growth projections and discount rate. A decrease in projected revenue by 33% would result in the recoverable amount being equal to the carrying amount. No reasonable possible change in the discount rate is likely to result in the recoverable amount being equal to their carrying amount.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 5: Other Financial Assets**

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>5(a) Non-current financial assets</b>		
Security deposits	31.24	154.88
Others	0.15	0.15
Less: Loss Allowance	-	-
	<u>31.39</u>	<u>155.03</u>
Bank Deposits with remaining maturity of more than twelve months		
(i) In deposit accounts	9.39	-
(ii) Balances held as margin money or security against fund and non-fund based banking arrangements	482.08	-
	<u>522.86</u>	<u>155.03</u>
<b>5(b) Current financial assets</b>		
Security deposits	154.33	-
Interest accrued but not due on bank deposits	21.82	13.64
Bank deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	-	230.80
	<u>176.15</u>	<u>244.44</u>

**Note No. 6: Tax assets**

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>6(a) Current Tax Asset (net)</b>		
Advance Income Tax (net)	569.66	530.16
	<u>569.66</u>	<u>530.16</u>

Note: Current Tax Assets is net of provisions of income tax amounting to Rs. 365.61 (2023: Rs. 365.61)

**6(b) Deferred Tax Assets (net)**

The balance comprises temporary differences attributable to:

Tax Losses/MAT Credit	702.28	981.57
Expenses allowable on payment basis	94.21	38.77
Property, plant and equipments	54.67	4.71
Intangible assets	94.80	125.31
Unabsorbed Depreciation	87.64	-
Lease liabilities	1.24	46.45
<b>Total deferred tax assets</b>	<u>1,034.84</u>	<u>1,196.81</u>
Right-of-use assets	(0.99)	(35.05)
<b>Total deferred tax liabilities</b>	<u>(0.99)</u>	<u>(35.05)</u>
<b>Net deferred tax assets</b>	<u>1,033.85</u>	<u>1,161.76</u>

Note: The Company has recognised Deferred Tax Assets (DTA) on Unabsorbed depreciation and brought forward losses/MAT credit based on future projected available tax profits. The key assumption used in such projections include revenue growth. No reasonable possible change in the assumptions is likely to impact the carrying value of DTA on Unabsorbed depreciation and brought forward losses/MAT credit.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**6(b) Deferred tax assets (contd.)**

Movement in deferred tax assets	Tax Losses	Lease liabilities	Right of use assets	Unabsorbed Depreciation	Property, plant and equipments	Intangible assets	Expenses allowable on payment basis	Total
<b>As at April 1, 2022</b>	-	<b>229.53</b>	<b>(212.92)</b>	-	<b>(11.85)</b>	<b>107.17</b>	<b>55.75</b>	<b>167.68</b>
(Credited)/ Charged to:								-
- Profit and loss	981.57	(183.08)	177.87	-	16.56	18.14	(32.56)	978.50
-Other comprehensive income	-	-	-	-	-	-	15.57	15.57
<b>As at March 31, 2023</b>	<b>981.57</b>	<b>46.45</b>	<b>(35.05)</b>	-	<b>4.71</b>	<b>125.31</b>	<b>38.77</b>	<b>1,161.76</b>
(Credited)/ Charged to:								
- Profit and loss	(279.29)	(45.21)	34.06	87.64	49.96	(30.51)	44.79	(138.56)
-Other comprehensive income							10.65	10.65
<b>As at March 31, 2024</b>	<b>702.28</b>	<b>1.24</b>	<b>(0.99)</b>	<b>87.64</b>	<b>54.67</b>	<b>94.80</b>	<b>94.21</b>	<b>1,033.85</b>

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 7 : Other assets**

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>7(a) Other non-current assets</b>		
Balances with government authorities	1,176.82	973.37
	<b>1,176.82</b>	<b>973.37</b>
<b>7(b) Other current assets</b>		
Advances to suppliers	170.22	125.67
Capital advances	3.86	17.66
Prepaid expenses*	209.99	111.26
Warranty Receivables	13.15	-
	<b>397.22</b>	<b>254.59</b>

\* Includes due from related party amounting to Rs. 5.75 (2023: Rs 1.68)

**Note No. 8 : Inventories****Accounting Policy**

Inventories (raw material, work-in-progress and stores and consumables) are stated at the lower of cost and net realisable value.

Costs are assigned to individual items of inventory on the basis of moving average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Particulars	As at	
	March 31, 2024	March 31, 2023
Raw materials*	715.42	709.74
Work-in-Progress*	285.24	619.62
Stores and consumables*	396.55	549.76
	<b>1,397.21</b>	<b>1,879.12</b>

\*Includes inventory with job workers and is net of provisions of Rs. 32.29 as of March 31, 2024 (March 31, 2023 Rs. 637.38) .

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 9: Trade Receivables****Accounting Policy**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Company holds trade receivable with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue and is classified as a financial asset as only the passage of time is required before the payment is due.

Invoicing in excess of earnings are classified as contract liabilities which is disclosed as deferred revenue.

Trade receivables and unbilled revenue are presented net of impairment if any in the Balance Sheet.

Company has not provided allowance for expected credit loss (ECL) on trade receivables and contract assets as there is no loss expected on receivables in accordance with IND AS 109. This expectation is based on the fact that the Company has not incurred any losses in past on receivables and also there is no significant change in the customer profile.

Particulars	As at	
	March 31, 2024	March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured*	1,982.96	2,314.85
Receivables from related parties considered good - unsecured	-	187.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
<b>Total</b>	<b>1,982.96</b>	<b>2,501.85</b>
Less: Allowance for expected credit loss	-	-
<b>Total trade receivables</b>	<b>1,982.96</b>	<b>2,501.85</b>
* Includes amount due from related party of Rs. 1.63 (March 31, 2023: Rs. 187.00)		
Current portion	1,982.96	2,501.85
Non-current portion	-	-
<b>Ageing of trade receivables</b>		
<b>Undisputed trade receivables - considered good</b>		
Unbilled	1,833.54	1,367.65
Not due	24.78	-
Outstanding for the following period from the due date	-	-
Less than 6 months	124.64	1,112.19
6 months to 1 year	-	22.01
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>1,982.96</b>	<b>2,501.85</b>

**Notes:**

(a) There is no undisputed trade receivables as on March 31, 2024 and March 31, 2023, which has significant increase in credit risk and receivables which are credit impaired.

(b) There is no disputed trade receivables as on March 31, 2024 and March 31, 2023.

**Note No. 10: Cash and Bank Balances**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>(a) Cash and cash equivalents</b>		
(a) Balances with banks		
(i) In current accounts	1,088.35	181.17
(ii) In EEFC accounts	1,009.75	50.82
(b) Bank Deposits with original maturity of less than three months	1,000.00	-
(c) Cash in Hand	0.20	1.20
	<b>3,098.30</b>	<b>233.19</b>
<b>(b) Other bank balances</b>		
Deposits with original maturity of more than three months but less than twelve months	1,703.95	428.83
In earmarked deposit accounts	-	7.39
	<b>1,703.95</b>	<b>436.22</b>

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 11: Equity Share Capital****Accounting Policy****Contributed Equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

Particulars	March 31, 2024	March 31, 2023
<b>Authorised Capital</b>		
1,07,28,000 (2023: 1,07,28,000) equity shares of Rs. 10 each	1,072.80	1,072.80
36,85,700 (2023: 36,85,700) Series C preference shares of Rs. 100 each	3,685.70	3,685.70
	<b>4,758.50</b>	<b>4,758.50</b>

**Subscribed, issued and fully paid up [net of treasury shares also refer note (i) below]**

Equity Share Capital of Rs. 10/- each

87,01,701 (2023: 87,01,701) equity shares of Rs. 10 each[refer note (iv)] below	870.17	870.17
	<b>870.17</b>	<b>870.17</b>

**(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year:**

	No. of shares	Amount
<b>Opening balance as on April 1, 2022 (net of treasury shares)</b>	<b>3,614,738</b>	<b>361.47</b>
Movement during the year		
Conversion of preference shares into equity shares (refer note (iv) below)	3,685,694	368.57
Issued to employees under share based payment schemes	232,122	23.21
Equity component of compound financial instrument recognised (refer note (iv) below)	1,169,148	116.91
<b>Closing balance as on March 31, 2023 (net of treasury shares)</b>	<b>8,701,701</b>	<b>870.17</b>
<b>Opening balance as on April 1, 2023 (net of treasury shares)</b>	<b>8,701,701</b>	<b>870.17</b>
Movement during the year		
Issued to employees under share based payment schemes	-	-
<b>Closing balance as on March 31, 2024 (net of treasury shares)</b>	<b>8,701,701</b>	<b>870.17</b>

**Note:**

Treasury shares of Rs. 10 each held by Saankhya Labs Pvt Ltd ESOP Trust(*)	No. of shares	Amount
Opening Balance as on April 01, 2022	1,238,242	123.82
Issued to employees under share based payment schemes	(232,122)	(23.21)
<b>Closing Balance as on March 31, 2023</b>	<b>1,006,120</b>	<b>100.61</b>
<b>Opening Balance as on April 01, 2023</b>	<b>1,006,120</b>	<b>100.61</b>
Issued to employees under share based payment schemes	-	-
<b>Closing Balance as on March 31, 2024</b>	<b>1,006,120</b>	<b>100.61</b>

(\*) Treasury shares refer to the shares held by Saankhya Labs Private Limited ESOP Trust on behalf of the employees.

**(ii) Rights, preferences and restrictions attached to shares:****Equity share holders:**

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**(iii) Shares of the company held by holding company:**

	March 31, 2024	March 31, 2023
Tejas Networks Limited	6,251,496	6,251,496

(iv) The Company had in earlier years issued 3,685,694 Series C Compulsorily Convertible Cumulative Preference Shares (CCPS) and 1,169,148 equity shares in the Company to an investor (such CCPS and equity shares together called "securities"). The CCPS were fully converted to equity shares on May 17, 2022 in the ratio of 1:1.

Under the terms of the Shareholders Agreement with the Investor, dated October 23, 2017 (as amended on December 28, 2019), the said investor can exercise its right on or after November 27, 2025, which requires the Company to provide an exit to the Investor by way of a buyback of all the securities held by the investor, at fair market value of such securities. The existence of the buyback option with the Investor means that the Company does not have an unconditional right to avoid payment of cash, and accordingly, on transition to Ind AS (with effect from April 1, 2021), these securities have been classified as a financial liability in accordance with the requirements of Ind AS 32 'Financial Instruments: Presentation', and presented under 'other financial liabilities'. The financial liability is initially recognized at fair value and subsequently carried at amortized cost as required by Ind AS 109, Financial Instruments- Measurement. In effect, the amortized cost of the securities (initially recognised at fair value) issued to the Investor, at each reporting date is equal to the fair value of the securities. The said financial liability recognized under Ind AS 32 includes face value of such securities of Rs. 3,685.69 and Rs.116.91 as at March 31, 2022 and March 31, 2021 respectively, securities premium thereon of Rs. 2,772.21 and Rs. 2,772.21 as at March 31, 2022 and March 31, 2021 respectively and fair value charge amounting to Rs.2,166.63 and Rs.13,308.69 as at March 31, 2022 and March 31, 2021 respectively. However, as per Schedule III, Division II to Companies Act, 2013, amount of face value received from issue of equity shares and preference shares, are to be presented under 'Equity share capital' and 'Preference share capital' respectively, and the securities premium is required to be presented under 'Securities premium'.

Vide amendment of the shareholders' agreement effective July 1, 2022, such buyback rights of such securities were revoked by the investor. Pursuant to the revocation of the buyback rights, such securities in their entirety met the definition of equity instruments as per Ind AS 32. As a result of this, as on July 1, 2022, the entire financial liability pertaining to such securities has been classified as equity shares amounting to Rs. 485.48 (including CCPS conversion into equity shares Rs. 368.57), securities premium of Rs. 6,089.32 (including share premium on CCPS conversion of Rs. 3,317.12) and retained earnings of Rs. 15,475.35. Such representation as at July 1, 2022 and consequently as at March 31, 2023 are in accordance with both Ind AS and Companies Act, 2013.

**(v) Shares reserved for issuance towards outstanding employee stock options:**

Particulars	As at	
	March 31, 2024	March 31, 2023
Equity Shares of Rs. 10/- each		
ESOP Schemes		
Outstanding at the end of the year	956,167	956,167
Options available for grant	49,953	49,953



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**(vi) Details of shares held by each shareholder holding 5% or more shares (Including treasury shares):**

	As on			
	March 31, 2024		March 31, 2023	
	No. of shares	%	No. of shares	%
Tejas Networks Limited	6,251,496	64.40%	6,251,496	64.40%
Saankhya Labs Pvt Ltd ESOP Trust	1,006,120	10.36%	1,006,120	10.36%
One Media 3.0 LLC, USA	1,213,707	12.50%	1,213,707	12.50%

**(vii) Details of share holding pattern of the promoters at the end of the year:**

	As on			
	March 31, 2024		March 31, 2023	
	No. of shares	% change	No. of shares	% change
Tejas Networks Limited	6,251,496	0.00%	6,251,496	100.00%

(viii) The Company has not allotted any equity shares pursuant to contract without payment received in cash during the period of 5 years immediately preceding March 31, 2024. (Also refer note 11(i)).

(ix) The Company has not issued any equity shares as fully paid-up by way of bonus shares during 5 years immediately preceding March 31, 2024.

(x) The Company has not bought back any equity shares during the 5 years immediately preceding March 31, 2024.



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

**Notes to the standalone financial statements as of and for the year ended March 31, 2024**

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 12: Other Equity**

Particulars	As at	
	March 31, 2024	March 31, 2023
Securities premium	15,422.28	15,422.28
Retained earnings	(9,652.15)	(10,093.75)
Employee stock compensation outstanding account	1,914.32	1,846.72
	<b>7,684.45</b>	<b>7,175.25</b>

**(i) Securities premium**

Particulars	As at	
	March 31, 2024	March 31, 2023
Opening Balance	15,422.28	8,974.95
Reclassification upon exercise of ESOP/RSU	-	358.01
Changes during the year on account of modification of securities	-	6,089.32
Closing Balance	<b>15,422.28</b>	<b>15,422.28</b>

**(ii) Retained earnings**

Particulars	As at	
	March 31, 2024	March 31, 2023
Opening Balance	(10,093.75)	(23,075.15)
Profit/(Loss) for the year	467.54	(2,456.05)
<i>Items of other comprehensive income recognized directly in retained earnings</i>		
Remeasurements of the post employment benefit obligation	(25.94)	(37.90)
Changes during the year on account of modification of securities	-	15,475.35
Closing Balance	<b>(9,652.15)</b>	<b>(10,093.75)</b>

**(iii) Employee stock compensation outstanding account**

Particulars	As at	
	March 31, 2024	March 31, 2023
Opening Balance	1,846.72	2,027.59
Share based payment expenses	67.60	177.14
Reclassification upon exercise of ESOP/RSU	-	(358.01)
Closing Balance	<b>1,914.32</b>	<b>1,846.72</b>

**Nature and purpose of other reserves****Retained earnings:**

Retained earnings represents the profits/(loss) that the Company has earned till date including fair value gains recognized on adoption of Ind AS as at April 1, 2021, less any transfers to other reserves and other distributions paid to its equity shareholders.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Employee stock compensation outstanding account**

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under the Company's share based payment arrangements over the vesting period.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 13: Lease Liabilities****Accounting Policy****As a lessee**

"Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments
- amount expected to be payable under residual value guarantees
- the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lessees, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

"Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date,
- any initial direct costs, and restoration cost"

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases where the lease term is 12 months or less.

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>13(a) Non-Current</b>		
Lease Liabilities	-	4.26
	-	4.26
<b>13(b) Current</b>		
Lease Liabilities	4.26	155.24
	4.26	155.24

**Note No. 14: Provisions****Accounting Policy**

Provisions are recognized when the Company has a present obligation (legal or constructive) as 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering 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). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Warranty Provision**

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period.

These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts

**(i) Short-term employee benefits**

Liabilities for wages and salaries and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liability for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on Government bonds that at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of profit and loss.

The obligation for earned leave (despite not being expected to be settled wholly within 12 months) is presented as current liabilities in the balance sheet as the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Gratuity obligations (Defined Benefit Plan)**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have maturity terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**(iv) Defined contribution plans**

The Company pays provident fund and pension contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and are recognized as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent they reduce the amount of future contributions.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**(v) Share-based payments**

Share-based compensation benefits are provided to employees via Employee Stock Option Plans and Restricted Stock Units.

The Company has constituted the following plans - 'Saankhya Labs ESOP Scheme' 2008, 'Saankhya Labs ESOP Scheme '2012 for the benefit of eligible employees.

"The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- a) including any market performance conditions
- b) excluding the impact of any service and non-market performance vesting conditions
- c) including the impact of any non-vesting conditions"

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each period, the Company revises its estimates of the number of ESOP/RSU that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of profit and loss, with a corresponding adjustment to equity.

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Non-current provisions</b>		
Provision for employee benefits		
Gratuity	89.97	8.60
Other provisions		
Warranty	-	-
	<b>89.97</b>	<b>8.60</b>
<b>Current provisions</b>		
Provision for employee benefits		
Leave obligations [refer Note (i)]	148.91	127.57
Gratuity [refer Note (ii)]	-	20.35
Other provisions		
Warranty	65.49	-
	<b>214.40</b>	<b>147.92</b>

**Notes:****(i) Leave encashment**

The entire amount of the provision of 148.91 (2023: 127.57) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Leave obligation not expected to be settled within the next 12 months	132.71	106.90
---	--------	--------

**I. Assumptions for defined benefit plan**

	Year ended	
	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.54%
Salary escalation	15.00%	15.00%
Attrition rate	7.00%	15.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**(ii) Gratuity**

The Company provides gratuity benefit to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised insurer managed funds in India.

**I. Assumptions for defined benefit plan**

	Year ended	
	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.54%
Salary escalation	15.00%	15.00%
Attrition rate	7.00%	15.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**II. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (DBO) over the year are as follows:**

	Present value of obligation	Fair value of plan assets	Total
<b>April 1, 2022</b>	<b>412.24</b>	<b>(353.61)</b>	<b>58.62</b>
Current service cost	42.47	-	42.47
Interest expense/(income)	21.89	(22.19)	(0.30)
<b>Total amount recognised in profit or loss</b>	<b>64.36</b>	<b>(22.19)</b>	<b>42.17</b>
Remeasurements :			
Actuarial (Gain)/loss from change in demographic assumptions changes in DBO	-	-	-
Actuarial (Gain)/loss from change in financial assumption changes in DBO	32.81	-	32.81
Actuarial (gains)/losses due to Experience on DBO	19.54	-	19.54
Return on Plan Asset (more)/Less than Expected based on Discount rate	-	1.12	1.12
<b>Total amount recognised in other comprehensive income</b>	<b>52.35</b>	<b>1.12</b>	<b>53.47</b>
Contributions:			
(a) Employers	-	(125.30)	(125.30)
(b) Plan participants	-	-	-
Payments from plan:			
(a) Benefit payments/transfer	(238.46)	238.46	-
(b) Settlements	-	-	-
<b>March 31, 2023</b>	<b>290.49</b>	<b>(261.52)</b>	<b>28.95</b>
<b>April 1, 2023</b>	<b>290.49</b>	<b>(261.52)</b>	<b>28.95</b>
Current service cost	48.53	-	48.53
Interest expense/(income)	21.80	(20.58)	1.23
<b>Total amount recognised in profit or loss</b>	<b>70.33</b>	<b>(20.58)</b>	<b>49.76</b>
Remeasurements :			
Actuarial (Gain)/loss from change in demographic assumptions changes in DBO	27.42	-	27.42
Actuarial (Gain)/loss from change in financial assumption changes in DBO	18.77	-	18.77
Actuarial (gains)/losses due to Experience on DBO	(11.06)	-	(11.06)
Return on Plan Asset (more)/Less than Expected based on Discount rate	-	1.47	1.47
<b>Total amount recognised in other comprehensive income</b>	<b>35.12</b>	<b>1.47</b>	<b>36.59</b>
Contributions:			
(a) Employers	-	(25.34)	(25.34)
(b) Plan participants	-	-	-
Payments from plan:			
(a) Benefit payments/transfer	(2.67)	2.67	-
(b) Settlements	-	-	-
<b>March 31, 2024</b>	<b>393.28</b>	<b>(303.31)</b>	<b>89.97</b>

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**III. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:**

	Year Ended	
	March 31, 2024	March 31, 2023
<b>Discount Rate</b>		
Increase by 100 basis points (March 31, 2023 100 basis points)	(33.53)	(19.56)
Decrease by 100 basis points (March 31, 2023 100 basis points)	39.41	22.17
<b>Salary Growth Rate</b>		
Increase by 100 basis points (March 31, 2023 100 basis points)	14.71	6.84
Decrease by 100 basis points (March 31, 2023 100 basis points)	(14.82)	(6.82)
<b>Attrition Rate</b>		
Increase by 100 basis points (March 31, 2023 100 basis points)	(4.30)	(1.38)
Decrease by 100 basis points (March 31, 2023 100 basis points)	4.20	1.27

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may not be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**IV. Composition of the plan assets is as follows:**

	Year Ended	
	March 31, 2024	March 31, 2023
Insurer managed funds	100%	100%

**V. Risk Exposure**

**Interest rates risk:** The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase although this will be partially offset by an increase in value of the plan assets.

**Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risks:** This is the risk in volatility of results due to unexpected nature of decrements that include mortality, attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

**Asset Liability Mismatch:** This will come into play unless the funds are invested with the term of the assets replicating the term of the liability.

**VI. Defined benefit liability and employer contributions**

Expected contributions to post-employment benefit plans (Gratuity) for the year ending March 31, 2025 is 89.97

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2023: 12.48 years). The expected maturity analysis of undiscounted gratuity is as follows:

	As at	
	March 31, 2024	March 31, 2023
Year 1	41.69	40.54
Year 2	23.74	20.11
Year 3	34.79	17.93
Year 4	51.04	22.51
Year 5	44.1	17.65
Year 6-10	377.89	175.60
Year 10 and above	-	280.99

**Movement in Warranty**

Provision for warranty has been estimated based on past history of claims settled.

Particulars	As at	
	March 31, 2024	March 31, 2023
Opening balance	-	-
Additions/(reversals)	65.49	-
Closing balance	65.49	-
<b>Disclosed as:</b>		
Non-current	-	-
Current	65.49	-
	65.49	-

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 15: Trade Payables****Accounting Policy**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Particulars	As at	
	March 31, 2024	March 31, 2023
Total outstanding dues of micro and small enterprises (refer note 30)	315.89	140.70
Total outstanding dues of creditors other than micro and small enterprises	183.36	232.70
	<b>499.25</b>	<b>373.40</b>
Trade payables includes the amounts due to related parties (refer Note 35)	326.61	101.69
<b>Aeging of trade payables</b>		
<b>Undisputed trade payables- Micro enterprises and small enterprises</b>		
Unbilled	315.23	-
Not due	0.24	-
Outstanding for the following period from the due date		
Less than 6 months	0.43	140.70
6 months to 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Undisputed trade payables- Others</b>		
Unbilled	153.96	-
Not due	-	-
Outstanding for the following period from the due date		
Less than 6 months	24.27	214.62
6 months to 1 year	0.32	14.09
1-2 years	4.80	1.31
2-3 years	-	2.68
More than 3 years	-	-
	<b>499.25</b>	<b>373.40</b>

**Note**

There are no disputed trade payables as on March 31, 2024 and March 31, 2023.

**Note No. 16: Other Financial Liabilities**

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Current</b>		
Employee benefits payable	317.86	96.53
Payable to related parties (refer Note 35)	6,252.97	3,033.22
	<b>6,570.83</b>	<b>3,129.75</b>



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 17: Contract Liabilities**

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Current</b>		
Deferred revenue	1,052.40	818.72
	<b>1,052.40</b>	<b>818.72</b>

**Note No. 18: Other Current Liabilities**

Particulars	As at	
	March 31, 2024	March 31, 2023
Advances received from customers*	409.09	765.55
Statutory dues	143.60	114.45
Liabilities on Corporate Social Responsibility (Refer Note 37)	-	29.58
	<b>552.69</b>	<b>909.58</b>

\* Includes amount due to related party of Rs. Nil (2023: Rs. 765.55)



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 19: Revenue from Operations****Accounting Policy**

The Company is engaged in the business of premier wireless communication and semiconductor solutions.

Revenue from sale of products is recognised when control over products is transferred in accordance with the contractual terms of sale and there are no unfulfilled performance obligations that could affect the customer's acceptance of the products.

Revenue from services are recognised as and when such services are rendered as per agreed terms of contractual agreements.

If the services rendered by the Company exceed the payments from customers, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised (which is referred to as deferred revenue).

Standard warranty is provided to customers upon sale of goods and the same is accounted in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets.

The Company presents revenue net of Goods and Services Tax (GST) in its Statement of Profit and loss.

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Revenue from contract with customers</b>		
Sale of goods		
Manufactured goods - Telecom, Broadcast and Satcom related products	1,511.39	25.74
Traded Goods	108.34	-
	<u>1,619.73</u>	<u>25.74</u>
Rendering of services		
Installation and commissioning revenue	39.15	-
Annual maintenance revenue	14.93	52.50
Other service revenue	8,754.28	8,142.60
	<u>8,808.36</u>	<u>8,195.10</u>
	<u>10,428.09</u>	<u>8,220.84</u>

**19.1 Disaggregation of revenue from contracts with customers**

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

**Revenue from contract with customers \***

Sale of goods		
- Domestic	1,208.75	3.69
- Export	410.98	22.05
	<u>1,619.73</u>	<u>25.74</u>
Rendering of services		
- Domestic	366.87	2,656.10
- Export	8,441.49	5,539.00
	<u>8,808.36</u>	<u>8,195.10</u>
	<u>10,428.09</u>	<u>8,220.84</u>

\* Includes Sale of Goods & Services to related party amounting to Rs. 695.13 (2023: Rs. 1,565.96)

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**19.2 Performance obligations and remaining performance obligations**

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2024, is approximately Rs. 1,403.93 (March 31, 2023: Nil). Out of this, the Company expects to recognize whole revenue within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty. Based on current assessment, the occurrence of the same is expected to be remote.

**19.3 Reconciliation of revenue recognised with contract price**

Contract price	10,515.88	8,220.84
Less: Adjustments (Liquidated Damages)	87.79	-
<b>Revenue from operations</b>	<b>10,428.09</b>	<b>8,220.84</b>

**19.4 The movement in contract liability (deferred revenue and advance received from customers) is as follows:**

	Deferred revenue	Advance received from customers
<b>Balance as on April 1, 2022</b>	<b>1,861.61</b>	<b>764.24</b>
Less: Revenue accrued during the year	(2,069.84)	-
Add: Invoicing in excess of earned revenue during the year	1,026.95	-
Add: Advance received during the year	-	1.31
<b>Balance as on March 31, 2023</b>	<b>818.72</b>	<b>765.55</b>
Less: Revenue accrued during the year	(818.72)	(765.55)
Add: Invoicing in excess of earned revenue during the year	1,052.40	-
Add: Advance received during the year	-	409.09
<b>Balance as on March 31, 2024</b>	<b>1,052.40</b>	<b>409.09</b>

**Note No. 20: Other Income**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Interest income from banks on deposits	86.88	73.48
Unwinding of discount on fair value of security deposits	14.66	51.32
Gain on Derecognition of ROU Asset	-	44.84
Net gain on foreign currency transactions and translation	-	87.44
Miscellaneous income*	17.43	23.40
	<b>118.97</b>	<b>280.48</b>

\* Includes sub lease income with related party amounting to Rs. 1.63 (2023: Rs. 1.47)

**Note No. 21A: Cost of Materials Consumed**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Opening stock of Raw Materials	709.74	1,085.84
Add: Purchases	277.40	385.17
	987.14	1,471.01
Less: Closing stock of Raw Materials	715.42	709.74
<b>Cost of materials consumed</b>	<b>271.72</b>	<b>761.27</b>

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 21B: Changes in inventories of Work-in-Progress**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Opening stock - Work-in-Progress	619.62	201.99
Closing stock - Work-in-Progress	285.24	619.62
<b>Changes in inventories of Work-in-Progress</b>	<b>334.38</b>	<b>(417.63)</b>

**Note No. 22: Employee benefit expenses**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Salaries and wages	2,691.37	4,209.43
Contribution to provident and other funds	161.30	43.67
Gratuity expenses	49.76	42.18
Employee share based payment expenses (refer Note 39)*	3,263.94	3,103.59
Medical Insurance	40.53	17.94
Staff welfare expenses	19.84	132.49
	6,226.74	7,549.30
Less: Capitalized during the period [Refer Note No. 3(b) and 34]	814.57	1,149.15
	<b>5,412.17</b>	<b>6,400.15</b>

\* Includes RSU Cross charge expenses of Rs. 3,196.34 (2023: Rs. 2,926.45) by the holding company.

**Note No. 23 : Finance cost**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Interest expense		
(i) Unwinding of discount on fair valuation of lease liabilities	8.32	64.77
Other finance cost	18.17	2.06
	<b>26.49</b>	<b>66.83</b>

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 24: Other Expenses**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Installation and commissioning expenses	19.33	-
Stores and Consumables (including writedowns)	412.08	1,017.15
Power and fuel	27.46	50.19
Housekeeping and security	48.29	71.00
Lease rentals (*)	87.17	401.88
Repairs and maintenance - machinery	1.82	3.16
Repairs and maintenance - others	31.72	66.85
Sub-contractor charges	3.17	-
Cost of technical services(*)	1,855.49	2,028.35
Insurance*	83.80	75.87
Rates and taxes	(49.80)	86.80
Telecommunication & Broadband Expenses (*)	92.31	43.97
Travelling and conveyance	222.15	288.39
Printing and stationery	3.73	-
Freight and forwarding	18.61	13.70
Sales expenses	12.96	61.27
Business promotion	9.47	-
Director sitting fees	5.00	5.60
Legal and professional (*)	294.50	153.42
Auditors remuneration and out-of-pocket expenses		
Audit Fee (including fees for limited reviews)	37.00	26.00
Tax Audit Fee	2.00	2.00
Certification matters	0.80	14.75
Auditors out-of-pocket expenses	1.09	-
Net loss on foreign currency transactions and translation	15.23	-
Provision for Investment in subsidiaries	90.00	-
Provision for warranty	65.49	-
Expenditure on corporate social responsibility	-	22.19
Reimbursement of expenses to holding Company(*)	30.49	-
Brand Equity Subscription Fee (*)	15.65	-
Subscription and Membership	136.66	502.73
Miscellaneous expenses	5.17	2.67
	<b>3,578.84</b>	<b>4,937.95</b>
Less: Capitalized during the year [Refer Note No. 3(b) and 35]	101.21	568.19
	<b>3,477.63</b>	<b>4,369.76</b>

\*Includes expenses payable to related parties aggregating to Rs. 1,183.72 (2023: 777.19) (Refer Note 35)

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**Note No. 25: Income Tax Expense**

**Accounting Policy**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Company measures its tax balances for uncertain tax positions either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax asset on Minimum Alternate Tax (MAT) credit is recognised only when it is probable that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the deferred tax asset relating to MAT credit is written down to the extent there is no longer a convincing evidence that the Company will pay normal income tax during the specified period. Similarly the deferred tax asset relating to MAT credit is adjusted upwards if the previously unrecognised MAT credit is considered recoverable due to higher anticipated future taxable profit.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and for unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously within the same jurisdiction.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to item recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
a. Current tax		
Tax on profits for the period	-	-
Adjustments for tax of prior periods	-	(31.50)
Total current tax expense	-	(31.50)
b. Deferred tax		
Decrease/(increase) in deferred tax assets	161.97	(804.36)
(Decrease)/increase in deferred tax liabilities	(34.06)	(189.72)
Total deferred tax (benefit)/expense	127.91	(994.08)
	<b>127.91</b>	<b>(1,025.59)</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:</b>		
Profit/ (loss) before income tax expense	569.51	(3,519.53)
Tax expense/ (credit) determined based on the statutory tax rate [i.e., 29.12% (2023: 29.12%)]	165.84	(1,024.89)
Tax effect of:		
Expenditure towards corporate social responsibility	15.07	(6.46)
Expenses disallowed under income tax act	(26.20)	(0.48)
Others	(26.80)	6.25
	<b>127.91</b>	<b>(1,025.59)</b>

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**26 Fair Value Measurement**

**(i) Financial instruments by category and fair value hierarchy**

	Level	March 31, 2024		March 31, 2023	
		FVPL	Amortized cost	FVPL	Amortized cost
<b>Financial assets</b>					
(i) Trade receivables	3	-	1,982.96	-	2,501.85
(ii) Cash and cash equivalents	3	-	3,098.30	-	233.19
(iii) Other bank balances other than (ii) above	3	-	1,703.95	-	436.22
(iv) Other financial assets					
-Security deposits	3	-	185.57	-	154.88
-Bank Deposits with remaining maturity of more than twelve months	3	-	491.47	-	-
-Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	3	-	-	-	230.80
-Interest accrued but not due	3	-	21.82	-	13.64
-Others	3	-	0.15	-	0.15
<b>Total Financial Assets</b>			<b>7,484.22</b>		<b>3,570.73</b>
<b>Financial liabilities</b>					
(i) Lease liabilities	3	-	4.26	-	159.50
(ii) Trade payables					
(a) Total outstanding dues of micro enterprises and small enterprises	3	-	315.89	-	140.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3	-	183.36	-	232.70
(iii) Other financial liabilities					
-Payable to related parties			6,252.97	-	3,033.22
-Employee benefits payable	3	-	317.86	-	96.53
-Security Deposit Received	3	-	-	-	-
<b>Total Financial liabilities</b>			<b>7,074.34</b>		<b>3,662.65</b>

Level 1: Includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels during the year.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Valuation Technique**

The fair values of security deposits is calculated based on cash flows discounted using a current lending rate. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value of other financial liabilities (equity shares measured at FVTPL) is determined using Black Scholes option pricing model.

**(iii) Valuation Process**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The significant level 3 inputs for determining the fair values are discount rates using a long term bank deposit rate to calculate a risk free rate (pre-tax) that reflects the current market assessments of the time value of money and adjusted for counter-party risk and risks specific to the asset.

**(iv) Fair value of financial assets and liabilities measured at amortised cost**

- The fair values of security deposits approximates its carrying amount.
- The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other financial assets are considered to be the same as their fair values, due to their short-term nature.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 27 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework.

## A. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in various countries. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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

The Company is also exposed to credit risk in respect of cash and cash equivalents and deposits with banks and inter corporate deposits placed with financial institutions. As a policy, the Company places its cash and cash equivalents and deposits with well established banks and financial institutions.

Management has evaluated and determined expected credit loss for cash and cash equivalents, deposits with banks, security deposits and other financial assets and based on assessment, management does not have any expected credit loss to be provided.

## (ii) Sensitivity Analysis

The sensitivity of profit or loss to changes in the loss allowance

	Impact on profit/(loss) after tax	
	March 31, 2024	March 31, 2023
Increase in credit loss rate by 10%	-	-
Decrease in credit loss rate by 10%	-	-

## B. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's principal source of liquidity are cash and cash equivalents, cash flows that are generated from the operations and the undrawn borrowing facilities. A material and sustained shortfall in cash flows could undermine the Company's credit rating and impair investor confidence. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

## (i) Liquid assets

The table below summarizes the Company's liquid assets at the end of the reporting period:

	As at	
	March 31, 2024	March 31, 2023
Cash and cash equivalents	3,098.30	233.19
Other bank balances - deposits with maturity more than 3 months but less than 12 months and margin money	1,703.95	436.22
Deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	-	230.80
Deposits with remaining maturity of more than twelve months	491.47	-
	5,293.72	900.21
Less: Deposits and balances held as margin money or security against fund and non-fund based banking arrangements	-	7.39
<b>Total liquid assets</b>	<b>5,293.72</b>	<b>892.82</b>

## (ii) Financing arrangements

The Company does not have access to any undrawn facilities at the end of the reporting period and comparative periods.

## (iii) Maturities of financial liabilities

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equals their carrying balances (except for lease liabilities) as the impact of discounting is not significant.

Contractual maturities of financial liabilities - March 31, 2024	Less than 6 months	6 months to 1 year	Between 1 and 2 years	More than 2 years	Total
<b>Non-Derivatives</b>					
Trade payables	499.25	-	-	-	499.25
Due to employees	317.86	-	-	-	317.86
Lease Liabilities	4.26	-	-	-	4.26
	<b>821.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>821.37</b>
<b>Contractual maturities of financial liabilities - March 31, 2023</b>					
<b>Non-Derivatives</b>					
Trade payables	373.40	-	-	-	373.40
Due to employees	96.53	-	-	-	96.53
Lease Liabilities	77.62	77.62	4.26	-	159.50
	<b>547.55</b>	<b>77.62</b>	<b>4.26</b>	<b>-</b>	<b>629.43</b>



Saankhya Labs Private Limited

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

27 Financial risk management (contd.)

C. Market Risk

(a) Foreign currency risk exposure

The Company operates internationally and is exposed to foreign exchange risk through its sales and services in foreign countries, and purchases from overseas suppliers in foreign currencies. To mitigate the risk of changes in exchange rates on foreign currency exposures, the company has a partial natural hedge between export receivables and import payables. Further, The results of the Company's operations are subject to the effects of changes in foreign exchange rates.

(i) The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees lakhs are as follows:

	March 31, 2024		March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
<b>Assets</b>				
Trade receivables (Excluding unbilled revenue)	Nil	-	USD 1,351,180.00	\$1,118.17
Balance in EEFC account	USD 1,210,658.97	1,009.75	USD 61,847.52	50.82
Cash				
	USD 224.00	0.19	USD 1,418.03	1.19
	NA	Nil	EURO 7.10	0.01
	GBP 1.70	0.00	GBP 1.70	0.00
	WON 1,410	0.00	WON 860	0.00
	YEN 800	0.00	YEN 800	0.00
	TWD 89	0.00	NA	NA
<b>Net exposure to foreign currency risk (assets)</b>		<b>1,009.95</b>		<b>1,170.19</b>
<b>Liabilities</b>				
Trade payables (includes provision for expenses)	USD 34,841.30	(29.06)	USD 6,114.26	(5.01)
<b>Net exposure to foreign currency risk (liabilities)</b>		<b>(29.06)</b>		<b>(5.01)</b>
<b>Net exposure to foreign currency risk</b>		<b>980.89</b>		<b>1,165.18</b>

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit/(loss) after tax	
	March 31, 2024	March 31, 2023
<b>USD Sensitivity</b>		
INR/USD - Increase by 5% (2023: 5%)*	49.04	58.26
INR/USD - Decrease by 5% (2023: 5%)*	(49.04)	(58.26)
<b>Sensitivity of all other currencies</b>		
INR/other currency - Increase by 5% (2023: 5%)*	-	-
INR/other currency - Decrease by 5% (2023: 5%)*	-	-

\* Holding all other variables constant.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**28 Capital Management**

For the purpose of capital management, the Company considers the following components of its Balance Sheet as capital:

Issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the company.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize the growth opportunities and return to the shareholders. The capital structure of the company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

<b>Debt equity ratio</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Net Debt*	(3,094.04)	(73.68)
Equity	8,554.62	8,045.42
<b>Net Debt to equity ratio</b>	-	-

\*Net Debt represents excess of cash and cash equivalents over lease liabilities. The Company has no borrowings as at March 31, 2024 and March 31, 2023

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**29 Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

	Particulars	As at	
		March 31, 2024	March 31, 2023
<b>a</b>	<b>Claims against the Company not acknowledged as debts</b>		
	Demand raised by the income tax department, which is under appeal before CIT (Appeals) (refer Note(i) below)	526.04	526.04
	Demand raised by the GST department, which is under appeal (refer Note(ii) below)	28.46	571.71
	Amount disallowed by income tax department, however there is no demand for the same [refer Note (iii)]	-	-
	Notes:		
(i)	(a) These cases are pending at various forums with the concerned authorities. Outflows if any, arising out of these claims would depend on the outcome of the decision of the appellate authority and the Company's right for future appeals before judiciary. No reimbursements are expected.  (b) Company is eligible for tax refund of Rs. 45.62 for the AY 2018-19 and Rs. 148.19 for the AY 2020-21. However, the same was withheld against the above orders.		
(ii)	Company has received Order dated 30th September 2023 partially allowing our claim and reduced the total demand from Rs. 571.71 to Rs. 28.46. The Company has made pre-deposit of Rs. 34.33 in the AY 2022-23.		
(iii)	Income tax department has issued an order dated December 27, 2019 and has disallowed carryforward losses of earlier years amounting to Rs. 6,821.78. However, there is no tax liability raised.		
(iv)	The above contingent liabilities do not include performance guarantees amounting to Rs 482.08 (March 31, 2023: Nil).		
<b>b</b>	<b>Commitments</b>		
	Property, plant and equipment	54.24	34.74

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**30 Dues to Micro Small and Medium Enterprises (MSMEs)**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end <sup>1</sup>	315.89	140.70
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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 the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

<sup>1</sup>Based on periodic circularisations by the Company and responses received from the suppliers, the Company identifies Micro and Small parties registered under the MSMED Act. The information above has been compiled by the management basis such identification. No delays in payments beyond the stipulated date prescribed under the MSMED Act have been identified for such vendors.

**31 Segment Information**

The Company's business activity primarily falls within a single business segment based on the nature of activity involved and business risks having regard to the internal organisation and management structure. The Chief Operating Decision Maker (CODM) reviews the Company's performance as a single business segment and not at any other disaggregated level.

**Geographical information**

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
<b>I. Revenues*</b>		
India	1,568.17	2,659.79
International <sup>#</sup>	8,859.92	5,561.05
	<b>10,428.09</b>	<b>8,220.84</b>

Revenue from major customers is as follows:

Customer	March 31, 2024		March 31, 2023	
	Revenue	% of total revenue	Revenue	% of total revenue
Sinclair Broadcast Group	8,859.92	85%	5,539.00	67%

\* Determined based on location of customers

# International revenue is from United States of America only.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
<b>II Total Carrying amount of non current assets, by geographical location</b>		
India*	4,785.21	4,438.94
International	-	-

\* Includes an amount of Rs. 3.43 (March 31, 2023: 140.23) being Right of use assets pursuant to adoption of Ind AS 116.

**32 Details of leasing arrangements****Right-of-use assets****(i) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases:

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Right of use Assets</b>		
Buildings	3.43	140.23
<b>Total</b>	<b>3.43</b>	<b>140.23</b>

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Lease Liabilities</b>		
Current	4.26	155.24
Non-Current	-	4.26
<b>Total</b>	<b>4.26</b>	<b>159.50</b>

Additions to right-of-use assets is Nil (2023: Nil) and disposal of right-of-use assets is Nil (2023: 299.55).

**(ii) Amounts recognised in the statement of profit or loss:**

The statement of profit or loss shows the following amount related to leases:

Particulars	Note	Year Ended	
		March 31, 2024	March 31, 2023
<b>Other income</b>			
Gain on termination of leases	19	-	44.84
<b>Depreciation charge of Right of use Assets</b>			
Buildings	4(c)	136.80	304.70
<b>Total</b>		<b>136.80</b>	<b>304.70</b>
<b>Other costs</b>			
Interest expense (included in finance costs)	22	8.32	64.77
Expenses relating to short term leases (included in other expenses)*	23	87.17	401.88
<b>Total</b>		<b>95.48</b>	<b>466.65</b>

\*includes maintenance expenses

The total cash outflow for leases for the year ended March 31, 2024 is 163.56 (March 31, 2023: 326.98).

**Extension and termination options**

Extension and termination options are included in various leasing arrangements for buildings. These are used to maximise operational flexibility in terms of managing assets used in the operations. All the extension and termination options are exercisable only by the Company.

The Company has not provided any residual value guarantees in any of the leasing arrangements.

Saankhya Labs Private Limited

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

### 33 Earnings/(Loss) per share

#### Accounting Policy

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
- potentially issuable equity shares, that could potentially dilute basic earnings per share, are not included in the calculation of diluted earnings per share when they are anti-dilutive for the period presented.

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
<u>Basic</u>		
Net profit/(loss) for the year attributable to the equity share holders	441.60	(2,493.95)
Weighted average number of equity shares	8,701,701	8,701,701
Par value per share (Rs.)	10	10
Earnings/(loss) per equity share - Basic (Rs.)	<u>5.07</u>	<u>(28.66)</u>
<u>Diluted</u>		
Net profit/(loss) for the year attributable to the equity share holders	441.60	(2,493.95)
Weighted average number of equity shares for Basic EPS	8,701,701	8,701,701
Add: Treasury shares held by SLPL ESOP Trust	977,059	-
Weighted average number of equity shares - for diluted EPS	<u>9,678,760</u>	<u>8,701,701</u>
Par value per share (Rs.)	10	10
Earnings/(loss) per equity share - diluted (Rs.)	<u>4.56</u>	<u>(28.66)</u>

Note: Potentially issuable equity shares, on account of Share Options issued to employees dilute basic earnings per share. No diluted EPS has been computed for previous year as they are anti-dilutive for the prior year.

### 34 Product Development Cost

Product development costs capitalized during the year with regard to the development of various modules of products are being amortised in accordance with the Company's policy.

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Amount transferred to Product Development	-	-
Additions to Intangible assets under development	915.78	1,717.34
Grant received	216.43	-

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**35 Related party transactions****(i) Details of related parties:**

Description of relationship	
Ultimate Holding Company	Tata Sons Private Limited (w.e.f July 01, 2022)
Intermediate holding Company	Panatone Finvest Limited (w.e.f July 01, 2022)
Immediate Holding Company	Tejas Networks Limited (w.e.f July 01, 2022)
Subsidiaries	Saankhya Labs Inc. United States of America
	Saankhya Strategic Electronics Private Limited (w.e.f July 08, 2022)
Subsidiaries of Ultimate Holding Company (with whom the Company has transactions)	Tata Consultancy Services Limited (w.e.f July 01, 2022)
	Tata AIG General Insurance Co. Ltd (w.e.f July 01, 2022)
	Tata Teleservices Limited (w.e.f July 01, 2022)
Entity with common control	Sinclair Broadcast Group (upto June 30, 2022)
Entities where directors are interested (with whom the Company has transactions)	Vayavya Labs Private Limited
Post-employment benefit plan for the benefit of employees	Saankhya Labs Private Limited Employees Group Gratuity Fund Trust
Employee Stock Option Plan Trust (Other Related Parties)	Saankhya Labs Private Limited ESOP Trust
<b>Key Management Personnel</b>	
Executive Directors	Parag Naik Vishwakumara Kayargadde
Non - Executive Directors & Non - Independent Director	N. Ganapathy Subramaniam (w.e.f from July 18, 2022) Mark Aitken Sanjay Nayak (w.e.f from July 01, 2022 upto June 30, 2023) Arnob Roy (w.e.f from July 01, 2022)
Independent Directors	Chandrashekar Bhaskar Bhave (w.e.f from September 09, 2022 upto March 25, 2024) Prof. Bhaskar Ramamurthi (w.e.f from September 09, 2022)



**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**35 Related party transactions (Contd..)****(ii) Details of the related party transactions during the year ended March 31, 2024:**

	Year Ended	
	March 31, 2024	March 31, 2023
<u>Revenue from rendering of services</u>		
Tata Consultancy Services Limited	312.79	-
Sinclair Broadcast Group	-	1,557.39
Vayavya Labs Private Limited	-	8.57
<u>Revenue from sale of goods</u>		
Tata Consultancy Services Limited	274.00	-
Tejas Networks Limited	108.34	-
<u>Other Income</u>		
Saankhya Strategic Electronics Private Limited	1.63	1.47
<u>Cost of Technical Services</u>		
Vayavya Labs Private Limited	1,053.62	749.80
<u>Cross charge of Restricted Stock Unit (RSU) expenses</u>		
Tejas Networks Limited	3,196.34	2,926.45
<u>Reimbursement of expenses to holding Company</u>		
Tejas Networks Limited	30.49	-
<u>Insurance Expenditure</u>		
Tejas Networks Limited	4.53	-
Tata AIG General Insurance Co. Ltd	2.13	0.74
<u>Professional Charges</u>		
Saankhya Strategic Electronics Private Limited	10.61	8.63
<u>Lease Rental Expenditure</u>		
Saankhya Strategic Electronics Private Limited	-	12.00
Tejas Networks Limited	29.12	6.02
<u>Telecommunication &amp; Broadband Expenses</u>		
Tata Teleservices Limited	37.57	-
<u>Brand Equity Subscription Fee</u>		
Tata Sons Private Limited	15.65	-

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Contribution to post employment benefit plans

Saankhya Labs Private Limited Employees Group Gratuity Fund Trust	25.34	127.50
---	-------	--------

Investment made

Saankhya Strategic Electronics Private Limited	-	90.00
--	---	-------

Remuneration to Key Management Personnel (Refer note 1 below)Executive Directors

## Parag Naik\*

Short-term employee benefits	113.28	85.45
------------------------------	--------	-------

Post employment benefits-As per Actuarial	18.76	-
---	-------	---

## Vishwakumara Kayargadde\*

Short-term employee benefits	113.28	85.45
------------------------------	--------	-------

Post employment benefits-As per Actuarial	21.71	-
---	-------	---

\*remuneration shown above does not include RSUs granted by the Holding Company

Non - Executive Directors (Sitting fees)

Sanjay Nayak	0.20	0.80
--------------	------	------

Arnob Roy	0.80	0.80
-----------	------	------

Chandrashekar Bhaskar Bhave	2.00	2.00
-----------------------------	------	------

Prof. Bhaskar Ramamurthi	2.00	2.00
--------------------------	------	------

**Note 1.**

The remuneration during the year to the Managing Director and the Executive Director is exceeding the limits for which shareholder's approval was obtained earlier. The said excess of remuneration relates to recognition of cost associated with RSU's (Restricted Stock Units) pertaining to 4,10,520 and 4,10,519 RSU's of Managing Director and Executive Director of the Company respectively, which were granted to the aforesaid persons by Tejas Networks Limited, the Holding Company as a part of the Shareholders agreement executed between the Company and its shareholders with Tejas Networks Limited on March 30, 2022 which was signed by all the shareholders of the Company.

Further, the Company proposes to obtain the shareholder's approval by way of a resolution to be passed at the upcoming General Meeting of the Company in this regard.

**Saankhya Labs Private Limited**

CIN: U7220KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**35 Related party transactions (Contd..)****(iii) Balances outstanding at the end of the year:**

Particulars	As at	
	March 31, 2024	March 31, 2023
<u>Trade receivables, unbilled receivables and contract assets</u>		
Saankhya Strategic Electronics Private Limited	1.63	-
Tata Consultancy Services Limited	-	187.00
<u>Other current assets (Prepaid)</u>		
Tata AIG General Insurance Co. Ltd	1.49	1.68
Tata Teleservices Ltd	4.26	-
<u>Trade payables</u>		
Vayavya Labs Private Limited	310.96	82.63
Saankhya Lab Inc	-	17.51
Saankhya Strategic Electronics Private Limited	-	1.55
Tata Sons Private Limited	15.65	-
<u>Advance received from customer</u>		
Tata Consultancy Services Limited	-	765.55
<u>Other current financial liabilities</u>		
Tejas Networks Limited	6,252.97	3,033.22
<u>Non current investments (unquoted)</u>		
Saankhya Labs Inc	694.23	694.23
Saankhya Strategic Electronics Private Limited	90.00	90.00

## 36 Ratios

Sl. No.	Particulars	Numerator Includes	Denominator Includes	Ratio FY 2024	Ratio FY 2023	% Variance	Reasons for variance in excess of 25%
1	Current Ratio	Total current assets	Total current liabilities	0.98	1.00	-2%	Not Applicable
2	Debt-equity ratio	Lease Liabilities	Total equity	0.00	0.02	-97%	Variance is mainly due to decrease in lease liability on account of lapse of leases during the year
3	Debt service coverage ratio	Profit/(Loss) after tax (adjusted for) Depreciation and amortization expense Other non-cash items Finance costs	Debt service (lease payments for the current year)	NA	NA	NA	Not Applicable
4	Return on Equity Ratio	Profit/(Loss) after tax	Average equity	0.06	1.34	-96%	Variance is mainly due to considering increase in average equity on account of fair value of financial instruments not equity during the previous years and increase in profits during the year
5	Inventory turnover ratio	Cost of materials consumed	Average Inventories	0.17	0.41	-59%	Variance due to increase in consumption of inventory
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	4.65	3.29	42%	Variance due to increase in revenue
7	Trade payables turnover ratio	Purchases (others) Purchases of stock in trade	Average Trade payables	0.31	0.60	-49%	Variance is mainly due to increase in Trade payables during the year
8	Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	(75.54)	555.37	-114%	Variance is mainly due to decrease in total current liabilities on account of fair value of financial instruments during the previous year.
9	Net profit/(loss) ratio	Profit/(Loss) after tax	Revenue from operations	0.04	(0.30)	-115%	Variance is due to increase in profits during the year
10	Return on Capital employed	Earnings before interest and tax	Total equity	0.07	(0.43)	-116%	Variance is due to increase in profits during the year
11	Return on Investment	Earnings before interest and tax	Average Total Assets	0.01	(0.24)	-104%	Variance is due to increase in profits during the year

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTCO41339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

**37 Expenditure on corporate social responsibility (as per section 135 of the Act)**

(a) Gross amount required to be spent by the Company during the year was Nil (2023: Rs. 22.19). (refer note 41)

(b) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Opening Balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
22.19	-	22.19	(22.19)	-

(c) Details of CSR expenditure under Section 135(5) of the Act in respect of ongoing projects

Opening Balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
7.37	-	-	(7.37)	-

(d) Nature of CSR activities:

Name of the project	Financial year	Amount required to be spent	Amount already spent	Closing Balance
Mannikeri Lake Rejuvenation Project	2020-21	7.37	(7.37)	-

**38(a) Interest in subsidiaries**

Name of the Company	Place of Business	% of Holding and voting power either directly or indirectly through subsidiary as at	
		March 31, 2024	March 31, 2023
Saankhya Labs Inc. (wholly owned subsidiary since incorporation on February 24, 2012)	United States of America	100%	100%
Saankhya Strategic Electronics Private Limited (wholly owned subsidiary since acquisition on July 8, 2022.)	India	99.99%	99.99%

**38(b) Details of investments given as per Section 186 of the Companies Act, 2013**

Name of the Company	Relationship	Purpose	March 31, 2024	March 31, 2023
Saankhya Strategic Electronics Private Limited	Subsidiary	Investment in subsidiary	-	90.00

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statement as of and for the year ended March 31, 2024

(All Amounts in Rs. Lakhs except for share data or as otherwise stated)

**39 Share based payments**

The company had introduced the Equity settled Employees Stock Option Plan (ESOP) Scheme 2008 effective from 1st February, 2008. The total pool size of the scheme 2008 was 200,000 options, with an exercise price of ₹10/- each and with an exercise period of 20 years from the vesting date. Pursuant to the ESOP scheme 2008, the company had given various grants to employees from time to time. The ESOP Scheme 2008 was revised on 22nd December, 2011 with retrospective effect by incorporating a change in the frequency of vesting and other vesting conditions. The life of the options granted was 4 years with annual 25% vesting under the original scheme 2008. As per the revised Scheme 2012, there was a change in the vesting, i.e. after the first annual vesting, all subsequent vesting are on a quarterly basis.

The company had introduced a new Equity settled ESOP Scheme 2012 on 22nd December, 2011 with immediate effect. The total pool size of the scheme 2012 was 100,000 options with an exercise price of ₹10/- each and with an exercise period of 20 years from the vesting date. The scheme provided for grade vesting, upon completion of 1st year 25% and 6.25% every quarter thereafter. The total pool size was increased to 11,00,000 options in November 2018.

The Company as on 8th March 2012, has established Saankhya Labs Private Ltd ESOP Trust and brought both the ESOP Scheme 2008 and Scheme 2012 under this trust for the purpose of administration of the schemes.

For the purpose of administration of Employee Stock Option Plans, the Company has established ESOP Trust.

Company has used fair value method to account for the ESOP. Fair value of shares have been asserted using valuation report from merchant banker.

**Restricted Stock Unit Plan of the Parent Company:**

Certain employees of the Company are eligible to participate in the RSU plan of the parent company.

The RSUs granted under the plan have a graded vesting over a period of four years, which are exercisable within four years from the date of vesting. The RSUs granted under the plan are equity settled.

**(i) Summary of options under various plans:**

Particulars	Year ended			
	31 March 2024		31 March 2023	
	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)	Number of options
<b>(a) ESOP Plan 2008</b>				
Outstanding at the beginning of the year	10	99,677	10	108,800
Transferred to ESOP 2012 during the year	10	-	10	-
Granted during the year	10	-	10	-
Exercised during the year	10	-	10	(9,123)
Forfeited during the year	10	-	10	-
Outstanding at the end of the year	10	99,677	10	99,677
Exercisable at the end of the year	10	99,677	10	99,677
Options available for grant		-		-
Weighted average remaining contractual life for options outstanding (comprising the vesting period and the exercise period)		8.03		

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statement as of and for the year ended March 31, 2024

(All Amounts in Rs. Lakhs except for share data or as otherwise stated)

(b) **ESOP Plan 2012**

Outstanding at the beginning of the year	10	856,490	10	1,082,489
Transferred from ESOP 2008 during the year	10	-	10	-
Granted during the year	10	-	10	-
Exercised during the year	10	-	10	(222,999)
Forfeited during the year	10	-	10	(3,000)
Outstanding at the end of the year	10	856,490	10	856,490
Exercisable at the end of the year	10	856,490	10	856,490
Options available for grant	10	49,953	10	49,953
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		16.10		

(c) **RSU Plan 2017 of the Parent Company**

Outstanding at the beginning of the year	10	14,000	-	-
Granted during the year	10	-	10.00	14,000
Exercised during the year	10	4,144	-	-
Forfeited during the year	10	522	-	-
Outstanding at the end of the year	10	9,334	10.00	14,000
Exercisable at the end of the year	10	-	-	-
RSU available for grant	10	-	-	-
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		3.51 years		

The weighted average share price during the year ended March 31, 2024 was Rs. 787.11 ( March 31, 2023 - Rs. 585.52)

**39 Share based payments (contd.)**

**Year ended**

Particulars	31 March 2024		31 march 2023	
	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)	Number of options
(d) <b>RSU Plan 2022 of the Parent Company</b>			-	-
Outstanding at the beginning of the year	10	1,483,260	-	-
Granted during the year	10	3,000	10	1,492,860
Transferred during the year	10	454,320	10	-
Exercised during the year	10	247,264	-	-
Forfeited during the year	10	52,759	10	9,600
Outstanding at the end of the year	10	731,917	10	1,483,260
Exercisable at the end of the year	10	153,950	-	-
RSU available for grant	10	-	-	-
Weighted average remaining contractual life for RSU outstanding (comprising the vesting period and the exercise period)		4.88 years		

The weighted average share price during the year ended March 31, 2024 was Rs. 787.11 ( March 31, 2023 - Rs. 585.52)



**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statement as of and for the year ended March 31, 2024

(All Amounts in Rs. Lakhs except for share data or as otherwise stated)

- (ii) RSUs granted during the year, the fair value has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumption	March 31, 2024	March 31, 2023
<b>RSU Plan 2017 of the Parent Company</b>		
Weighted Average share price on the date of grant	-	546.60
Exercise price	-	10.00
Risk Free Interest Rate	-	7.32%
Expected Life	-	5-8 Years
Exercise period from the date of vesting	-	4 years
Expected Annual Volatility of Shares	-	58%
Expected Dividend Yield	-	0.23%
<b>RSU Plan 2022 of the Parent Company</b>		
Weighted Average share price on the date of grant	861.85	624.30
Exercise price	10.00	10.00
Risk Free Interest Rate	7.18%	7.32% to 7.51%
Expected Life	5-8 Years	5-8 Years
Exercise period from the date of vesting	4 years	4 years
Expected Annual Volatility of Shares	54%	58%
Expected Dividend Yield	0.12%	0.15% to 0.18%

- (iii) Effect of share based payment transactions on the Statement of Profit and Loss:

Particulars	March 31, 2024	March 31, 2023
Equity-settled share-based payments (Refer Note No. 22)	3,263.94	3,103.59
-Cross-charge expense from the holding company	3,196.34	2,926.45
-Companys' ESOP Plan expense	67.60	177.14

**40 Additional regulatory information**

**(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company has not borrowed any amount during the current and previous year, hence reporting under this clause is not applicable.

**(iii) Wilful defaulter**

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

**(iv) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(v) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company has entered into scheme of arrangement. Refer Note 43

**(vii) Utilisation of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

**(xi) Other regulatory information**

**Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**Core investment companies (CIC)**

The group has five CICs (including entities part of the ultimate holding company) which are registered with the Reserve Bank of India and two CIC which are not required to be registered with the Reserve Bank of India.

- 41** For the financial year ended March 31, 2021, the Company had an unspent CSR amount of 15.64 relating to an ongoing project. This amount was transferred to an unspent CSR account on August 17, 2021. Out of the aforesaid unspent amount, 8.27 lakhs was incurred towards the project on January 17, 2022. As the ongoing project was taken over by the Government, the balance unspent amount of Rs. 7.37 lakhs was transferred to a fund as per Schedule VII on April 15, 2023.

For the financial year ended March 31, 2022, the Company had an unspent CSR amount of 15.61 relating to an ongoing project. This amount was transferred to an unspent CSR account on July 15, 2022. This amount was subsequently incurred towards the project on March 29, 2023.

As per the requirements of Section 135(6) any amount remaining unspent under section 135(5), pursuant to an ongoing project, shall be transferred by the company within thirty days from the end of the financial year to a special account.

As mentioned above, there have been delays in transfer of such unspent amounts. The Company has made a suo motu application with Registrar of Companies, Karnataka on April 15, 2023 for adjudicating the offences committed under Section 135 (6) of Companies Act, 2013. Based on the order received from Registrar of Companies, Karnataka, Company has filed an appeal with Regional Director, South Eastern Region which disposed on 1st February 2024. Penalties in this regard has been paid.

- 42** During the financial year 2022-23, the Company has become a subsidiary company of Tejas Networks Limited, a Listed Company. Consequently, as per section 287 of the Companies act, the Company is treated as a deemed public company. Accordingly, there was a requirement to file e-Form MGT-14 in certain cases.

The Company has filed e-Form MGT-14's beyond due date on April 15, 2023. Therefore, a suo motu application was filed by the Company with Registrar of Companies, Karnataka on April 15, 2023 for adjudicating the offence committed under Section 117 read with 179 of Companies Act, 2013 and the application disposed. Penalties in this regard has been paid.

## Saankhya Labs Private Limited

CIN: U72200KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

### Other Accounting Policies

Other than the Material Accounting Policies given, this note provides a list of other accounting policies adopted in the preparation of these financial statements. The Accounting Policies have been consistently applied to all the years presented, unless otherwise stated.

#### 43. Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### 44. Investments and Other Financial assets

##### 44.1. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

##### 44.2. Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the financial asset.

##### 44.3. Subsequent Measurement

###### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in statement of profit and loss.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognised under other income/ other expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

The Company subsequently measures all equity investments at fair value (except investment in subsidiaries which are carried at cost). Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value

**44.4. Impairment of financial assets**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The losses arising from impairment are recognized in the Statement of Profit and Loss.

**44.5. Derecognition**

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.



**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**45. Income recognition****Interest Income**

Interest income from a financial asset at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at Fair value through Profit and loss (FVTPL) is calculated using effective interest method and is recognised in statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**46. Financial liabilities****46.1. Classification as liability or equity**

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

**46.2. Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method unless at initial recognition, they are classified as fair value through profit or loss (FVTPL).

**46.3. Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

**47. Foreign Currency Transactions****(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

**(ii) Transactions and translations**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTC041339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

currencies at year end exchange rates are generally recognized in statement of profit and loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of entity's net investment in that foreign operation. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign exchange differences arising on translation of foreign currency borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expense.

**48. Cash Flow Statement**

Cash flows from operating activities are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Saankhya Labs Private Limited**

CIN: U72200KA2006PTCO41339

Notes to the standalone financial statements as of and for the year ended March 31, 2024

(All amounts in Rupees Lakhs except for share data or as otherwise stated)

- 49 The Board of Directors of the Company, at its meeting held on September 29, 2022, approved the amalgamation of the Company with Tejas Networks Limited by way of a scheme of amalgamation (the "Scheme"). Tejas Networks Limited has filed the scheme with the Securities and Exchange Board of India (SEBI) on September 29, 2022.

Further, on July 27, 2023, the Company has filed the merger application under Section 230 and 232 of the Companies Act, 2013 with National Company Law Tribunal (NCLT) Bangalore, for the merger of Company with the Transferee Company. Pursuant to an order dated December 7, 2023, the Hon'ble National Company Law Tribunal, Bengaluru Bench had directed the Transferee Company to hold separate meetings of the Equity Shareholders and Unsecured Creditors of the Transferee Company for purpose of considering and approving the Scheme of Amalgamation. The meeting of the Equity Shareholders and Unsecured Creditors of the Transferee Company was held on Friday February 9, 2024 (IST) through Video-Conference / Other Audio Visual Means ("VC / OAVM"). The resolution was passed with requisite majority by the Equity Shareholders and Unsecured Creditors of the Transferee Company.

The Scheme is subject to receipt of necessary approvals from NCLT and such other persons and authorities as may be required. Upon implementation of the Scheme, the shareholders holding remaining 35.60% equity shares in Company will be issued 112 equity shares of the Transferee Company for every 100 equity shares held in Company. Till such time, the Transferor Companies will continue to operate as majority-owned subsidiaries of Tejas Networks Limited.

- 50 Previous year's figures have been regrouped/ reclassified wherever necessary to conform with the current year's classification / disclosure.

**for Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number (FRN 012754N/N500016)

**for and on behalf of Board of Directors of**  
**Saankhya Labs Private Limited**

**Mohan Danivas S A**  
Partner  
Membership no: 209136  
Place: Bengaluru  
Date: April 19, 2024

**Vishwakumara Kayargadde**  
Director  
DIN: 00751260  
Place: Bengaluru  
Date: April 19, 2024

**Parag Naik**  
Director  
DIN: 01055996  
Place: Bengaluru  
Date: April 19, 2024