



# **CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

ANNUAL REPORT

2022 - 2023



**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

**CIN: U72900KA2000PTC026960**

**Regd. Office: 29/A, 2<sup>nd</sup> Cross, Electronic City, Phase I, Bengaluru – 560 100**

**Phone: +91 80 67404040, Email: secretarial@celstream.com**

**ANNUAL REPORT – 2022-2023**

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**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

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**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **Twenty Second Annual General Meeting** of the Shareholders of Celstream Technologies Private Limited will be convened on Wednesday, September 20, 2023 at 09:30 hours at the Registered Office 29/A, 2nd Cross, Electronic City, Phase I, Bengaluru – 560 100, to transact the following business:

**ORDINARY BUSINESS/ORDINARY RESOLUTION**

1. To receive, consider and adopt the Audited standalone and consolidated Balance Sheet of the Company as at March 31, 2023 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon. In this connection, to consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT, the Audited standalone and consolidated Balance Sheet of the Company as at March 31, 2023 and the Statement of Profit & Loss for the year ended March 31, 2023, together with Reports of the Auditors on standalone and on consolidated Financial Statements and Directors' Report thereon be and are hereby approved and adopted."

2. To confirm the Interim Dividend declared during the financial year 2022-2023 and paid out in February 2023. In this connection, to consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Interim Dividend at the rate of ₹35/- (Rupees Thirty Five only) per equity share of face value of ₹5/- each, declared by the Board of Directors of the Company on February 20, 2023 and paid out thereafter, be and is hereby approved, confirmed and be treated as the Final Dividend for the financial year ended March 31, 2023."

3. To ratify the appointment of the Statutory Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration. In this connection, to consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Members of the Company hereby ratify the appointment of M/s G.V. Sunder & Company, Chartered Accountants (Firm No.007248S), as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board."

**SPECIAL BUSINESS/ORDINARY RESOLUTION:**

4. Regularization and appointment of Mrs. Anitha John (DIN: 00769015) as a Non-Executive Director:

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Anitha John (DIN: 00769015) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 with effect from March 23, 2023 by the Board of Directors, and who held office up to the date of the Twenty Second Annual General Meeting be and is hereby appointed as a Non- Executive Director of the Company under Section 152 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

5. To approve the Employees Stock Option Plan scheme (“ESOP Scheme”) under Companies Act, 2013:

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to such conditions and modifications as may be prescribed or imposed by the Board of Directors while granting such approval, the permissions, sanctions and consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any committee including ESOP Compensation Committee of the Board, if any) to introduce, offer and implement the ESOP Scheme to create, offer, issue and allot to the present and future employees of the Company selected on the basis of criteria prescribed by the Board (hereinafter referred to as “the Eligible Employees” under the said proposed ESOP Scheme) such number of options as the Board may decide which could give rise to the issue of equity shares of nominal face value not exceeding ₹12,50,000/- divided into 2,50,000 Equity Shares of the face value of ₹5/- each on such terms and conditions as described in the ESOP 2023, tabled at the meeting, be and is here by approved.

RESOLVED FURTHER THAT the document titled Employees Stock Option Plan 2023 (“ESOP 2023”) containing the terms and conditions of the grant of ESOPs to the Eligible Employees of the Company tabled at the meeting and initialed by the Chairman for identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESOP Scheme on such terms and conditions as it thinks fit, to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments to ESOP 2023 with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the ESOP Scheme subject to the condition that it is not detrimental to the interests of the employees.

RESOLVED FURTHER THAT the said equity shares may be allotted in accordance with the plan framed in that behalf, directly to such employees through Celstream Employees Stock Option Plan Trust (“ESOP Trust”), out of the fully paid up shares held by ESOP Trust.

RESOLVED FURTHER THAT the Eligible Employees entitled to participate for any ESOP Scheme implemented by the Company be and hereby include the employees of any Subsidiary of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and to appoint consultants, advisors, etc. and pay fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOP Scheme and to the shares issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of this resolution.

RESOLVED FURTHER THAT in case the Company's Equity Share capital or its valuation is affected due to any corporate actions like issue of bonus/rights shares, stock split, consolidation, merger, restructuring or any such event happening subsequent to the grant of options, the Board shall have the discretion to make appropriate amendments to the scheme including change in number of options, the exercise price or floating a new scheme/extend the application of the existing scheme or any other fair and in just mechanism including acceleration of options, in accordance with Law, if deemed necessary, while striving to ensure that the rights of employees are not affected.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to any Executives/Officers of the Company or to any committee with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard.”

6. To consider and approve the issue of options exceeding 1% of issued capital under ESOP 2023 to Eligible Employees. In this connection, to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force the consent of the members of the Company, be and is hereby accorded to issue to employees of the Company, 2,50,000 options, which is in excess of 1% of the issued capital of the Company.”

## NOTES

1. *As per article 32 (ii), a General Meeting of the Company may be called by the Board by giving fourteen days' prior notice to the shareholders or on shorter notice provided, the consent of not less than 51% of the Members entitled to vote at the meeting is obtained in writing to such shorter notice.*
2. *As per article 44, the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.*
3. *As per article 45, an instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105. A proxy may or need not be a member of the Company and the proxy will be entitled to speak at a meeting and entitled to vote on a poll.*
4. *The Proxy Form and Attendance Slip are annexed to this Notice. Proxy shall be considered for the purpose of quorum.*
5. *The Notice of AGM and Annual Report 2022-2023 including other relevant documents are available on the Company's website <https://www.celstream.net/AGM2023.pdf>.*

6. *The Notice of AGM is sent to the shareholders by way of ordinary post.*
7. *Under Section 124(5) of the Companies Act, 2013 and Rules made thereunder, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. After transfer of the said amount to IEPF, no claims shall lie in this respect against IEPF or the Company. The Company has, accordingly, transferred during this period, a sum of ₹78,380/- being the unclaimed dividend amount pertaining to the financial year 2014-15 to IEPF.*
8. *Under Section 124(6) of the Companies Act, and Rules made thereunder, the Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) to the Investor Education and Protection Fund. Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.*
9. *Shareholders desiring any information relating to the accounts are requested to write to the Company at its Registered Office at least seven days prior to the date of AGM to enable the Management to compile the relevant information to reply the same in the meeting.*
10. *Members are requested to bring valid photo identity proof at the time of attending AGM for security reasons.*

**REGISTERED OFFICE:**

29/A, 2<sup>nd</sup> Cross  
Electronic City, Phase I  
Bengaluru – 560 100

**Dated:** August 23, 2023

**By Order of the Board**

**Naresh Victor**  
**Executive Director**  
**DIN: 00039962**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

### **Item No. 4**

Regularization and appointment of Mrs. Anitha John (DIN: 00769015) as a Non-Executive Director:

- a. Mrs. Anitha John (DIN: 00769015) was appointed as an Additional Director of the Company with effect from March 23, 2023, in accordance with the provisions of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, the above Director holds office only up to the date of the ensuing Annual General Meeting of the Company.
- b. Mrs. Anitha John has vast experience in the Information Technology industry. She has held various positions in Operations, Sales, Administration, Public Relations and Finance. She was appointed as an Additional Director of the Company in the Board Meeting as mentioned in the above point (a). Members are requested to consider the appointment of Mrs. Anitha John as a Non-Executive Director of the Company and pass the proposed ordinary resolution as set in the Notice of AGM.

None of the Directors of the Company or their relatives is in any way concerned or interested, in the said resolution.

The Board recommends the said resolution to be passed as an Ordinary Resolution.

### **Item No. 5**

To approve the Employees Stock Option Plan scheme (“ESOP Scheme”) under Companies Act, 2013:

The salient features of the ESOP Scheme are as follows:

#### **a. Total number of options to be granted**

1. The total number of options to be granted under this scheme is 2,50,000.
2. One option entitles the holder of the options to apply for one equity share of the company.
3. These shares will be issued to the Eligible Employees out of the fully paid-up equity shares held by the ESOP Trust.
4. These shares shall rank pari-passu with all the other equity shares of the Company.
5. The ESOP Scheme document ESOP 2023 is annexed to the Annual Report for reference.

#### **b. Eligibility Criteria for the employees to participate in ESOP**

The following are the Eligible Employees to participate in the ESOP Scheme of the Company:

1. A permanent employee of the Company or of any of its Subsidiary, who has been working in India or outside India; or
2. A Director of the Company or of any of its Subsidiary, whether a whole-time director or otherwise, but excluding an independent director if any.

The following are not eligible to participate in the scheme:

1. An employee who is a promoter or a person belonging to the promoter group; or
2. A Director who either himself or through his relatives or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

**c. Requirements of vesting**

1. There shall be a minimum period of one year between the grant of options and vesting of options.
2. The vesting shall happen as prescribed in the ESOP 2023.

**d. Maximum period within which the options shall be vested**

The maximum Vesting Period of an Option shall not be more than a period of 24 months from the date of Grant of the Option.

**e. Exercise price or price formula**

The exercise price for the conversion of 1 option into 1 equity share shall be at par value of ₹5/- per equity share or such other price as may be decided by the Board.

**f. Exercise Period and the Process of Exercise**

The Exercise Period may commence from the date of vesting and will expire not later than two (2) years from the date of last tranche of vesting of options, or such other time period as may be decided by the Board from time to time. The options will be exercised by the Eligible Employees by a written application to the Company or to the ESOP Trust to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

**g. Appraisal Process for determining the eligibility of employees to the ESOP Scheme**

The appraisal process for determining the Employees to whom the options shall be granted/offered will be determined by the Board, from time to time, and will be based on criteria such as the seniority of the employee, length of the service, performance record, merit of the employee, future potential contribution by the employee and/or any such other criteria that may be determined by the Board at its sole discretion.

**h. Lock-in period**

The Board shall have the freedom to specify a lock-in period for the equity shares issued pursuant to the exercise of option. Such lock-in period, if any, may be specified in the ESOP Scheme Offer Letter.

**i. Maximum number of options to be granted per employee and in aggregate**

The maximum number of equity shares which shall be subject to options under the ESOP Scheme will be 2,50,000 equity shares, which is well within and does not exceed 10% (Ten percent) of the total paid up equity Share Capital of the Company on a Fully Diluted Basis.

**j. Accounting Standards**

The Company shall conform to the applicable accounting standards specified in the Regulations and/or such other guidelines as may be applicable from time to time.



None of the Directors of the Company or their relatives is in any way concerned or interested in the resolution except to the extent of the shares held in the Company and the financial interest for the shares that may be offered to him/her under the ESOP Scheme.

The Board recommends the resolution as set out in Item No.5 to be passed as an Ordinary Resolution.

**Item No. 6**

To approve the issue of option exceeding 1% of issued capital under ESOP 2023 to an eligible employee:

The aggregate shares proposed to be issued under ESOP are in excess of 1% of the paid-up capital of the Company. These shares are proposed to be issued out the existing pool of fully paid-up equity shares held by the ESOP Trust and such issue of shares from the ESOP Trust is not detrimental to the interest of any members or employees.

None of the Directors of the Company or their relatives is in any way concerned or interested in the resolution except to the extent of the shares held in the Company and the financial interest for the shares that may be offered to him/her under the Scheme.

The Board recommends the resolution as set out in Item No.6 to be passed as an Ordinary Resolution.

**FORM NO. MGT-11**

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

**CIN: U72900KA2000PTC026960**

**Regd. Office: 29/A, 2nd Cross, Electronic City, Phase I, Bengaluru – 560 100**

**Phone: +91 80 67404040, Email: secretarial@celstream.com**

<b>Name of the Member</b>			
<b>Registered Address</b>			
<b>E-Mail ID</b>			
<b>Folio No/Client ID</b>		<b>DP ID</b>	

I/We, being the holder of \_\_\_\_\_ Shares of Celstream Technologies Private Limited, hereby appoint:

<b>Name</b>		<i>or failing him/her</i>	<b>Name</b>	
<b>Address</b>			<b>Address</b>	
<b>Email ID</b>			<b>Email ID</b>	
<b>Signature</b>			<b>Signature</b>	

as my/our proxy to attend and vote for me/us, on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, September 20, 2023, at 09:30 Hours, at 29/A, 2nd Cross, Electronic City, Phase I, Bengaluru – 560 100 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Item No.</b>	<b>Resolution</b>
	<b>Ordinary Business/Ordinary Resolution</b>
1	Adoption of Financial Statements including Consolidated Financial Statement for the year ended March 31, 2023
2	Approval and confirmation of interim dividend declared during 2022-2023 as final dividend
3	Ratification of appointment of Auditors and fixing their remuneration
	<b>Special Business/Ordinary Resolution</b>
4	Regularization and appointment of Mrs. Anitha John (DIN: 00769015) as a Non-Executive Director
5	Approval of the Employees Stock Option Plan scheme ("ESOP Scheme") under Companies Act, 2013
6	Approval of the issue of options exceeding 1% of issued capital under ESOP 2023

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder \_\_\_\_\_

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**  
**CIN: U72900KA2000PTC026960**

**Regd. Office: 29/A, 2nd Cross, Electronic City, Phase I, Bengaluru – 560 100**  
**Phone: +91 80 67404040; Email: secretarial@celstream.com**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors take great pleasure in presenting their Twenty Second Directors' Report on the business and operations of the Company and the audited statements of accounts for the financial year ended March 31, 2023.

**1. FINANCIAL RESULTS**

The financial results of the Company for the year ended March 31, 2023 are as below:

*(In ₹ Million)*

	<b>Consolidated</b>		<b>Standalone</b>	
	<b>March 31, 2023</b>	March 31, 2022	<b>March 31, 2023</b>	March 31, 2022
Gross Income	<b>853.23</b>	281.23	<b>404.04</b>	182.40
Gross Profit before Depreciation & Taxation	<b>523.87</b>	50.64	<b>162.80</b>	10.81
Depreciation/Amortisation	<b>9.69</b>	12.95	<b>1.76</b>	3.51
Profit before Taxation	<b>514.18</b>	37.69	<b>161.04</b>	7.30
Provision – Taxation	<b>117.73</b>	(0.29)	<b>2.44</b>	(0.72)
Profit after Taxation	<b>396.45</b>	37.98	<b>158.60</b>	8.02
Minority Interest	-	14.48	-	-
Net Profit	<b>396.45</b>	23.50	<b>158.60</b>	8.02
Balance carried from Previous Year	<b>236.39</b>	212.89	<b>275.54</b>	267.52
Less: Minority Interest	<b>37.81</b>	-	-	-
Less: Dividend	<b>395.03</b>	-	<b>253.28</b>	-
Less: Tax on Dividend	-	-	-	-
Profit carried to Balance Sheet	<b>200.00</b>	236.39	<b>180.86</b>	275.54

**2. OVERVIEW OF OPERATIONS**

During the year under review, the Company's consolidated group revenue was higher at ₹853.23 Million. On a standalone basis, the Company's revenue was higher at ₹404.04 Million. The Company's profitability was higher compared to the previous year. On a consolidated basis, the net profit was higher at ₹396.45 Million as against 23.50 Million in the preceding period. On a standalone basis, the profit was higher at ₹158.60 Million as against ₹8.02 Million in the preceding period. Consequently, the Company achieved a growth in profitability of ₹372.95 Million during the year, on a consolidated basis and ₹150.58 Million on a standalone basis.

The group continued its skill enhancement and development initiatives to address the emerging Digital Transformation market, as a niche MSME player, while it continued to face challenges from competitive business environment. Despite the continued challenges, the Company was able to achieve an overall revenue growth of ₹552.00 Million (including Other Income of ₹494.87 Million) on a consolidated basis over preceding period. On a standalone basis, the overall revenue growth stood at ₹221.64 Million (including Other Income of ₹155.91 Million) over the preceding period. The Company's revenue from operations grew by ₹52.58 Million on a consolidated basis (preceding period ₹51.73 Million), while on a standalone basis the growth was higher at ₹66.24 Million (preceding year ₹24.88 Million). The Company continued to focus on cost containment and optimization measures adopted in the earlier years.

### **3. CORPORATE DEVELOPMENTS & FUTURE OUTLOOK**

The Company's software services markets continue to operate in a globally competitive environment with rising trade protectionism and preference for near-shoring versus off-shoring. The global business environment continues to face the challenging supply chain logistics, adverse climate events, global inflationary pressures and the continuing conflict in Europe, creating an uncertain future for our existing and prospective customers. Your Company, as an MSME entity, is focusing on increasing its coverage leveraging its limited resources, in a cautious and optimistic manner. The industry in which your Company operates is facing shortage of skilled talent and escalating wage costs, which is of significant concern. However, the Company continues to exercise its best efforts to deliver quality services and maintain customer satisfaction.

In the coming financial year, the Company plans to maintain its market focus on Digital Transformation, enhance the digital skills of its employees, and work with and through partners, taking suitable actions to overcome the business challenges faced by the Company.

### **4. DIVIDEND**

The Board of Directors takes pleasure informing the members, that the Company received an amount of ₹151.20 Million from its subsidiary company Celstream Systems Private Limited, towards interim dividend for the financial year 2022-23. Taking into account this dividend income and together with accumulated surplus, the Board of Directors declared an interim dividend of ₹35 per share during the financial year 2022-23, resulting in a dividend pay-out of ₹253.28 Million in aggregate. The Board recommends that the interim dividend declared and paid-out during the year be approved and confirmed as the final dividend for the financial year 2022-23.

### **5. TRANSFER TO RESERVES**

No transfer towards the general reserves has been made by the Company during the year.

### **6. ANNUAL RETURN**

The draft of Annual Return in Form No. MGT-7 is furnished on the website of the Company at <https://www.celstream.net/CelstreamAR2023.pdf>

### **7. SHARE CAPITAL**

The Authorised Share Capital of the Company is ₹100,000,000 and the Issued, Subscribed & Paid-up Share Capital of the company is ₹36,182,775 as at March 31, 2023. During the year under review, there was no alteration to the Share Capital of the Company.

### **8. SUBSIDIARY COMPANIES**

The Company has one Subsidiary, Celstream Systems Private Limited ("CSPL") incorporated under the Laws of India. CSPL became a Wholly Owned Subsidiary of the Company effective March 10, 2023.

A statement containing salient features of the financial statements of the Subsidiary Company in Form AOC-1 is annexed as "Annexure – I" to this report.

### **9. CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements have been prepared in accordance with the principles and procedures as set out in the Accounting Standard on Consolidated Financial Statements (AS 21), as notified under the Companies' Accounting Standard Rules, 2006 (as amended). The Audited Consolidated Financial Statement together with Auditors' Report forms part of the Annual Report.

### **10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes occurred subsequent to the close of the financial year of the Company which may have adverse effect on the financial position of the Company.

## 11. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS

There is no significant and material order passed by any regulators or courts or tribunals impacting the going concern status and Company's operations.

## 12. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

### 12.1. Conservation of Energy:

Considering the nature of your Company's operations, the energy consumption is insignificant. However, all efforts are being made to conserve energy at all possible levels through up-gradation of technology, and various energy saving initiatives including installation of energy efficient equipment.

### 12.2. Technology Absorption:

There are no particulars to report on Research & Development and Technology Absorption.

### 12.3. Foreign Exchange Earnings and Outgo:

The Company's earnings and out go in foreign exchange during the year are as follows.

Earnings:

March 31, 2023 (₹ Millions)	March 31, 2022 (₹ Millions)
241.42	178.83

Outgo:

March 31, 2022 (₹ Millions)	March 31, 2022 (₹ Millions)
5.38	8.00

## 13. RISK MANAGEMENT POLICY

The Board is of the view that there is no immediate requirement for appointing a Risk Management Committee, and the Board assures its Shareholders that there are no such risks and contingencies foreseen or unforeseen which threatens the existence of Company. However, the Board itself monitors the risks and contingencies.

## 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not given any new loans or guarantee under Section 186 of the Companies Act, 2013. The investment in its subsidiary company Celstream Systems Private Limited has been appended in the Financial Statements. The loan under the existing inter-corporate loan arrangement with subsidiary company Celstream Systems Private Limited has since been repaid and closed by the subsidiary company. The details are appended in the Financial Statements.

## 15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, all the transactions entered into by the Company are at the arm's length price and do not fall under the requirements of Section 188 of the Companies Act, 2013. The particulars of every contract or arrangements entered into by the Company with related parties is disclosed in Form No. AOC-2 annexed as "Annexure – II" to this report.

## 16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide various business strategies and routine operations. The Board of Directors met six times during the financial year 2022-2023 on June 22, 2022, August 17, 2022, November 30, 2022, February 20, 2023, March 06, 2023 and March 23, 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## 17. DEPOSITS

The Company has neither accepted nor invited any deposits during the period under review.

## **18. DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **18.1. Composition of the Board:**

The Board of Directors presently consists of three members, namely, Mr. Naresh Victor, Executive Director (DIN 00039962), Mr. Satyanand Nadkarni, Director (DIN 08351399) and Mrs. Anitha John, Director (DIN 00769015).

### **18.2. Appointments and Resignations during the year:**

Appointment: Mrs. Anitha John (DIN 00769015) was appointed as an Additional Director with effect from March 23, 2023.

Resignation: Mr. Brijesh R Wahi, Director (DIN 00039977) resigned from the Board with effect from February 23, 2023. The Board places on record its appreciation for Mr. Wahi's services and acknowledges the valuable contribution and guidance provided during his tenure as a member of the Board in various capacities over the years.

### **18.3. Appointment and Resignations of Key Managerial Personnel during the years:**

During the year there were no changes in the Key Managerial Personnel.

## **19. STATUTORY AUDITORS**

Messrs. G. V. Sunder & Company (FRN 007248S), Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office for a term of 5 years at the Eighteenth Annual General Meeting held on September 06, 2019 subject to ratification by the Shareholders at every Annual General Meeting. Your Board recommends the ratification of appointment of the Statutory Auditors for the financial year 2023-24, subject to the approval of the Shareholders.

## **20. AUDITORS' REPORT**

The Auditors' Report annexed to the financial statements is self-explanatory and contains no qualifications, reservations or adverse remarks.

## **21. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **22. CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business during the period under review.

## **23. GENERAL**

The Ministry of Corporate Affairs (MCA), vide its Notification dated March 24, 2021, has amended the Schedule III, effective April 01 2021. Accordingly, the Company has presented its Financial Statements in compliance with the amended Schedule III.

During the year under review, no disclosure or reporting is required in respect of the following items as there were no transactions.

- (a) Issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, employee stock option scheme and buy back of shares.

(b) None of the Whole-time Directors of the Company received any remuneration or commission from any of the Company's subsidiaries.

The Board proposes to set up an Employees Stock Option Plan scheme (ESOP Scheme) as a measure of recognition and reward to the experienced and loyal employees for their contribution to the Company, and in this regard recommends the approval of the Members for the ESOP Scheme in the upcoming Annual General Meeting. The salient features of ESOP Scheme are provided in the Notice of the Annual General Meeting.

#### **24. INTERNAL FINANCIAL CONTROL SYSTEMS**

Your Company maintains an adequate and effective internal control system, commensurate with its size and complexity. The internal control systems provide a reasonable assurance that the Company's transactions are executed with management authorisation and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss. The Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening the same.

#### **25. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION & PROTECTION FUND**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 as may be applicable, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has reported the details of unpaid and unclaimed amounts lying with the Company as on September 21, 2022 (AGM date) with the Ministry of Corporate Affairs.

#### **26. WOMEN WELFARE**

The Company has formed a Committee under Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 to protect the interest of the women employees of the Company. There were no cases filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

#### **27. ACKNOWLEDGEMENTS**

The Directors sincerely acknowledge the significant contributions made by the Shareholders, Management, Employees and others for their dedicated services to the Company. The Directors also thank the Company's bankers for their support.

For and on behalf of the Board of Directors

**Naresh Victor**  
**Executive Director**  
**DIN: 00039962**

**Satyanand Nadkarni**  
**Director**  
**DIN: 08351399**

**Place:** Bengaluru  
**Date:** August 23, 2023



**Annexure – I****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ Millions)

<b>Particulars</b>	<b>Details</b>
Name of the subsidiary	Celstream Systems Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2022 to March 31, 2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹ Millions
Share capital	0.31
Reserves & surplus	18.18
Total assets	27.49
Total liabilities	9.00
Investments	-
Turnover	588.30
Profit before taxation	504.37
Provision for taxation	115.30
Profit after taxation	389.07
Dividend	292.95
% of Shareholding	100%

There are no Associates or Joint Ventures to report pursuant to Section 129(3) of the Companies Act, 2013.

**For G V SUNDER & COMPANY**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board**

**Shivaram Bhat**  
Partner  
M. No. 242666  
UDIN: 23242666BGXHVG6840

**Naresh Victor**  
Executive Director  
DIN: 00039962

**Satyanand Nadkarni**  
Director  
DIN: 08351399

**Place:** Bengaluru  
**Date:** August 23, 2023

**Annexure – II****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023 which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Sl. No.	Particulars	Details
1	Name(s) of the related party & nature of relationship	Celstream Systems Private Limited (Subsidiary)
2	Nature of contracts/arrangements/transaction	1. Secondment Services Agreement 2. Agreement to Lease(Terminated on January 19, 2023)
3	Duration of the contracts/arrangements/ transaction	1. Ongoing 2. Ongoing (Terminated on January 19, 2023)
4	Salient terms of the contracts or arrangements or transaction including the value, if any*	<u>Billing from Subsidiary:</u> 1. Professional charges: ₹7.83 Million 2. Leasing of office facility: ₹0.10 Million
5	Amount paid as advances, if any	-

\*Appropriate approvals have been taken for the related party transactions.

For and on behalf of the Board of Directors

**Naresh Victor**  
**Executive Director**  
**DIN: 00039962**

**Satyanand Nadkarni**  
**Director**  
**DIN: 08351399**

**Place:** Bengaluru  
**Date:** August 23, 2023

## **INDEPENDENT AUDITOR'S REPORT**

To,

**The Members of CELSTREAM TECHNOLOGIES PRIVATE LIMITED,**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of CELSTREAM TECHNOLOGIES PRIVATE LIMITED, (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management’s Responsibility for the Standalone Financial Statements**

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounts Standards) Rules, 2021 and relevant provisions of the Act and Rules made thereunder.
  - e. On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Sec. 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, the company is exempt as per the relaxation notification given by the Ministry of Corporate Affairs dated June 13, 2017.
  - g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
    - i. The Company has no litigation which requires disclosure, which would impact its financial position in its standalone financial statements.
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
    - iv. (a)The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b)The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c)Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies(Accounts) Rules, 2014 for maintaining the books of accounts using software which has the feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March 2023.

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

Date: August 23, 2023  
Place: Bengaluru

**Shivaram Bhat**  
Partner  
M.No. 242666  
UDIN: 23242666BGXHVC3193

## Annexure A to the Auditors' Report

With reference to the Annexure A referred to in Independent Auditors' Report to the members of CELSTREAM TECHNOLOGIES PRIVATE LIMITED ("the Company") on the Standalone Financial Statements for the year ended March 31, 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.  
  
(B) The Company does not have any intangible asset and hence this sub clause is not applicable.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of examination of records of the Company, those title deeds of immovable properties are held in the name of the Company.
- (d) The company has not revalued its property, plant and equipment or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 or rules made thereunder. Therefore, the provision of Clause (i)(e) of paragraph 3 of the Order is not applicable.
- (ii) (a) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii)(a) of paragraph 3 of the said Order is not applicable
- (b) During any point of time of the year, the Company has not been sanctioned any working capital limits exceeding rupees Five crores from banks or financial Institutions on the basis of security of current assets. Therefore, the provisions of Clause ii(b) of paragraph 3 of the said Order is not applicable.
- (iii) The Company has made investments in Subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013. Additional investment during the year in the Subsidiary Company was ₹7.05 Mn.
  - (a) During the year the company has not provided loans or advances in the nature of loans or stood guarantee or provided security to any other entity.
  - (b) In our opinion, the investment made and other terms and conditions on which the loans had been granted to the bodies of corporate listed in register maintained under Section 189 of the Act were not prejudicial to the interest of the Company.
  - (c) In the case of the loans granted to bodies corporate listed in register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the principal and interest wherever stipulated.
  - (d) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.
  - (e) There are no fresh loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provision of Section 185 to 186 of the Act, with respect to the loans and investment made, guarantees and securities given.

(v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and hence reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provision of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Income Tax, Employees' State Insurance, Duty of Customs, Goods and Services Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, no undisputed amount payable in respect of Provident Fund, Income Tax, Employees' State Insurance, Duty of Customs, Goods and Services Tax, Cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of Customs, Sales Tax, Duty of Excise, Service Tax, Goods and Services Tax and Value Added Tax. However, according to information and explanation given to us, the following dues to Income Tax have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of the Disputed dues	Amount of Tax	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Non consideration of TDS	₹1.10 Mn.	A.Y. 2009-10	Deputy Commissioner of Income-Tax Circle-2(1)(1), Bengaluru

(viii) There are no unrecorded income as referred in Clause (viii) of the Order has taken place during the year. Therefore, the provisions of Clause (viii) paragraph 3 of the Order are not applicable to the Company.

(ix) In respect of loans and borrowings:

(a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

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

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, no funds raised on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

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

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Therefore, the provisions of Clause (x)(a) of paragraph 3 of the Order are not applicable to the Company.



- (b) In our opinion and according to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares during the year. Therefore, the provisions of Clause (x)(b) of paragraph 3 of the Order are not applicable to the Company.
- (xi) We have not noticed or reported any case of fraud by the company or any fraud on the Company during the year. The management has also not reported any cases of fraud during the year. Therefore, the provision of Clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company is not covered by section 138 of the Act, 2013, related to the appointment of internal auditor of the Company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As per the information and explanations received, the group does not have any CIC as part of the group.
- (xvii) The company has not incurred cash loss in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, the provision of Clause (xviii) of paragraph 3 of the Order is not applicable to the company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, reporting under paragraph 3(xx) of the Order is not applicable.
- (xxi) There are no qualifications or adverse remarks by the auditors in the Companies (Audit Report) Order (CARO) of the subsidiary company included in the consolidated financial statement.

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

Date: August 23, 2023  
Place: Bengaluru

**Shivaram Bhat**  
Partner  
M.No. 242666  
UDIN: 23242666BGXHVC3193

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

**Balance Sheet as at March 31, 2023**

In ₹ Million

	Note No.	As at March 31, 2023	As at March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	36.18	36.18
Reserves and Surplus	4	216.47	311.15
		<b>252.65</b>	<b>347.33</b>
<b>Non-Current Liabilities</b>			
Long Term Provisions	5	15.23	15.67
		<b>15.23</b>	<b>15.67</b>
<b>Current Liabilities</b>			
Trade Payables	6		
- Dues to Micro and Small Enterprises		0.36	-
- Dues to Other than Micro and Small Enterprises		18.65	20.09
Other Current Liabilities	7	74.82	16.89
Short Term Provisions	8	3.95	4.58
		<b>97.78</b>	<b>41.56</b>
<b>TOTAL</b>		<b>365.66</b>	<b>404.56</b>

**ASSETS**

**Non-Current Assets**

Property, Plant and Equipment and Intangible assets			
- Property, Plant and Equipment	9a	5.94	3.59
- Intangible Assets	9b	-	-
- Capital Work in Progress		4.63	-
Non-Current Investments	10	90.86	83.81
Deferred Tax Assets		8.79	9.49
Long Term Loans and Advances	11	6.83	199.96
		<b>117.05</b>	<b>296.85</b>

**Current Assets**

Trade Receivables	12	56.88	52.99
Cash and Cash Equivalents	13	160.45	44.80
Short Term Loans and Advances	14	30.71	8.80
Other Current Assets	15	0.57	1.12
		<b>248.61</b>	<b>107.71</b>
<b>TOTAL</b>		<b>365.66</b>	<b>404.56</b>

Significant Accounting Policies and Notes to Accounts 1 to 34

Significant Accounting Policies and Notes to Accounts form an integral part of the financial statements.

As per our report of even date

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board of Directors of**  
**Celstream Technologies Private Limited**

**Shivaram Bhat**  
Partner  
Membership No. 242666

**Naresh Victor**  
Executive Director  
DIN:00039962

**Satyanand Nadkarni**  
Director  
DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED****Statement of Profit and Loss for the period ended March 31, 2023**

In ₹ Million, except share and per share data

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations	16	<b>239.02</b>	172.78
Reimbursement of Expenses		<b>6.42</b>	6.93
Other Income	17	<b>158.60</b>	2.69
<b>TOTAL INCOME</b>		<b>404.04</b>	182.40
<b>EXPENSES</b>			
Employee Benefits Expense	18	<b>135.63</b>	83.48
Depreciation and Amortisation Expense	9	<b>1.76</b>	3.51
Other Expenses	19	<b>105.61</b>	88.11
<b>TOTAL EXPENSES</b>		<b>243.00</b>	175.10
<b>Profit Before Tax</b>		<b>161.04</b>	7.30
<b>Tax Expense</b>			
	21		
Current Tax		<b>1.74</b>	-
Deferred Tax		<b>0.70</b>	(0.72)
		<b>2.44</b>	(0.72)
<b>Profit for the Year</b>		<b>158.60</b>	8.02
<b>Earnings Per Equity Share</b>			
Basic and Diluted [Nominal Value of Shares: ₹5 (2022: ₹5)]		<b>21.92</b>	1.11
[Weighted Average Number of Shares considered for computing above: 7,236,555 Shares (2022: 7,236,555 Shares)]			

Significant Accounting Policies and Notes to Accounts 1 to 34

Significant Accounting Policies and Notes to Accounts form an integral part of the financial statements.

As per our report of even date

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board of Directors of**  
**Celstream Technologies Private Limited**

**Shivaram Bhat**  
Partner  
Membership No. 242666

**Naresh Victor**  
Executive Director  
DIN:00039962

**Satyanand Nadkarni**  
Director  
DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

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#### 1. Nature of Operations

Celstream Technologies Private Limited ('the Company' or 'Celstream') was incorporated in April 2000. The Company is engaged in the business of providing software development services in Big Data Analytics, Cloud Computing, Embedded Systems, Internet of Things, Machine Learning, Mobile Computing, Web Applications and other digital technologies to leading technology firms. Based in Bengaluru, it has a Representative Office in the USA and a Subsidiary Company (wholly owned effective March 10, 2023) in India.

#### 2. Statement of Significant Accounting Policies

##### (a) Basis of Preparation

The Financial Statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 & the relevant provisions of the Companies Act, 2013 and in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention and on accrual basis. The accounting policies are consistent with those used in the previous year.

##### (b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Property, Plant and Equipment under construction and cost of assets not ready for use before the year-end, are disclosed as capital work in progress. Advance paid towards acquisition of Property, Plant and Equipment as at the year-end are disclosed in short term loans and advances. The Company has provided for depreciation using straight line method over the useful lives of respective assets, as prescribed under Schedule II of the Companies Act, 2013.

##### (c) Intangible Assets

Intangible assets comprises of software acquired for internal use and are stated at cost, less accumulated amortisation and impairment losses, if any. Software is being amortised over the estimated useful life of three years.

##### (d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

##### (e) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### (f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

##### (g) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Software Development on a time-and-material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed price contracts, revenue is recognized over the contract term based on the proportionate completion method. The Company measures progress towards completion based on the achievement and acceptance of contract milestones provided no further vendor obligations remain and collection is probable. Losses on fixed price contracts are recognised during the period in which loss first becomes apparent.

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

Dividend income is recognised when the right to receive the payment is established.

**Significant Accounting Policies and Notes to Accounts**

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**(h) Foreign Currency Transaction**

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

(iv) Forward Exchange Contracts not intended for trading or speculation purposes

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

(v) Translation of Foreign Representative Offices operations

The financial statements of the integral foreign representative offices are translated as if the transactions of the foreign operation have been those of the Company itself.

**(i) Employee Benefits**

(i) Gratuity

Gratuity liability is a defined benefit obligation. The Company contributes to a gratuity fund maintained by an insurance company, and the gratuity obligation is provided for on the basis of an actuarial valuation on projected unit credit method as per Revised Accounting Standard 15 (Revised AS-15) at the end of each financial year. Actuarial gains/losses are taken to the Statement of Profit and Loss.

(ii) Provident Fund

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Regional Provident Fund.

(iii) Compensated Absences

Short term compensated absences are provided for on actuarial basis as per Revised Accounting Standard 15 (Revised AS-15).

**(j) Income Taxes**

Tax expense comprises of Current and Deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

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#### **(k) Earnings Per Share**

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

#### **(l) Provisions**

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

#### **(m) Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### **(n) Segment Reporting Policies**

##### **(i) Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided. The analysis of geographical segments is based on the location of the Company's customer.

##### **(ii) Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

##### **(iii) Unallocated items**

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

#### **(o) Derivative Instruments**

The Company may use derivative financial instruments i.e. forward exchange contracts to hedge its risks associated with foreign currency fluctuations from time to time. Accounting policy for forward exchange contracts is given in Note (h) (iv) above.

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million, except share and per share data

<b>3. Share Capital</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Authorised Capital</b>		
20,000,000 (2022: 20,000,000) Equity Shares of ₹5 each	<b>100.00</b>	100.00
<b>Issued, Subscribed and Fully Paid-Up</b>		
7,236,555 (2022: 7,236,555) Equity Shares of ₹5 each fully paid	<b>36.18</b>	36.18
<b>a. The reconciliation of number of shares outstanding is as given below</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the Year	<b>7,236,555</b>	7,236,555
Add: Shares issued during the Year	-	-
Less: Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the Year	<b>7,236,555</b>	7,236,555
<b>b. Terms/Rights attached to Equity Shares</b>		
The Company has only one type & class of shares, being ordinary equity shares, having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to shareholders approval in the ensuing Annual General Meeting.		
<b>c. The details of shareholders holding more than 5% of shares</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>% Held</b>
1. Brijesh R Wahi	-	-
2. Pooja R Wahi	<b>2,320,176</b>	<b>32.06</b>
3. Bernadette Wahi	<b>1,405,616</b>	<b>19.42</b>
4. Technicolor S.A.	<b>648,774</b>	<b>8.97</b>
5. Celstream Employees Stock Option Plan Trust	<b>428,263</b>	<b>5.92</b>
6. Siemens Syntex Private Limited	<b>362,200</b>	<b>5.01</b>
	2,270,176	31.37
	-	-
	1,655,616	22.88
	648,774	8.97
	228,263	3.15
	387,200	5.35
<b>d. Shares held by promoters at the end of the year</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Name of the promoter</b>	<b>No. of Shares</b>	<b>% Held</b>
1. Brijesh R Wahi	-	-
	2,270,176	31.37
<b>4. Reserves and Surplus</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Securities Premium</b>	<b>7.31</b>	7.31
<b>General Reserve</b>	<b>28.30</b>	28.30
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Financial Statement	<b>275.54</b>	267.52
Add: Profit after Tax	<b>158.60</b>	8.02
	<b>434.14</b>	275.54
Less: Appropriations		
Dividend	<b>253.28</b>	-
Net Surplus in the Statement of Profit and Loss	<b>180.86</b>	275.54
<b>Total</b>	<b>216.47</b>	311.15
<b>5. Long Term Provisions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Provision for Employee Benefits</b>		
Gratuity	<b>11.89</b>	12.52
Leave Benefits	<b>3.34</b>	3.15
	<b>15.23</b>	15.67

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million, except share and per share data

**6. Trade Payables**

	As at March 31, 2023	As at March 31, 2022
Dues to Micro and Small Enterprises	0.36	-
Dues to Other than Micro and Small Enterprises	18.65	20.09
[Includes Celstream Systems Private Limited ₹1.17 Mn. (2022: 9.31 Mn.) Refer Note 24]		
	<b>19.01</b>	<b>20.09</b>

Particulars	March 31, 2023						March 31, 2022							
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total Trade Payables	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total Trade Payables
			Less than 1 year	1-2 years	2-3 years	More than 3 years				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.36	-	-	-	-	0.36	0.55	-	-	-	-	0.55	
(ii) Others	2.86	15.79	-	-	-	-	18.65	13.00	6.52	-	0.02	-	-	19.54
(iii) Disputed dues – MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	

**7. Other Current Liabilities**

	As at March 31, 2023	As at March 31, 2022
<b>Other Liabilities</b>		
Statutory Liabilities	5.42	4.12
Unclaimed Dividends	0.35	0.16
Unpaid Dividends	29.50	-
Employee Liabilities	39.55	12.61
	<b>74.82</b>	<b>16.89</b>

**8. Short Term Provisions**

	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
Gratuity	3.03	3.81
Leave Benefits	0.92	0.77
	<b>3.95</b>	<b>4.58</b>



CELSTREAM TECHNOLOGIES PRIVATE LIMITED

Significant Accounting Policies and Notes to Accounts

9. Property, Plant and Equipment and Intangible Assets

a. Property, Plant and Equipments

In ₹ Million

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2022	Additions during the Year	Deletions during the Year	As at Mar 31, 2023	As at April 1, 2022	For the Year	Deletions during the Year	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Building	1.63	-	-	1.63	1.40	-	-	1.40	0.23	0.23
Leasehold Improvements	29.23	-	29.23	-	29.23	-	29.23	-	-	-
Plant & Machinery	2.00	-	2.00	-	2.00	-	2.00	-	-	-
Furniture and Fixtures	17.78	-	17.78	-	17.78	-	17.78	-	-	-
Computer Equipment	59.76	4.11	56.38	7.49	57.98	1.16	56.38	2.76	4.73	1.78
Office Equipment	24.22	-	23.87	0.35	23.71	0.33	23.87	0.17	0.18	0.51
Vehicles	3.13	-	-	3.13	2.06	0.27	-	2.33	0.80	1.07
<b>Total</b>	<b>137.75</b>	<b>4.11</b>	<b>129.26</b>	<b>12.60</b>	<b>134.16</b>	<b>1.76</b>	<b>129.26</b>	<b>6.66</b>	<b>5.94</b>	<b>3.59</b>
<i>Previous Year</i>	<i>137.35</i>	<i>0.70</i>	<i>0.30</i>	<i>137.75</i>	<i>130.88</i>	<i>3.51</i>	<i>0.23</i>	<i>134.16</i>	<i>3.59</i>	<i>6.47</i>

b. Intangible Assets

In ₹ Million

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions during the Year	Deletions during the Year	As at Mar 31, 2023	As at April 1, 2022	For the year	Deletions during the Year	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Software	63.75	-	63.75	-	63.75	-	63.75	-	-	-
<b>Total</b>	<b>63.75</b>	<b>-</b>	<b>63.75</b>	<b>-</b>	<b>63.75</b>	<b>-</b>	<b>63.75</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Previous Year</i>	<i>63.75</i>	<i>-</i>	<i>-</i>	<i>63.75</i>	<i>63.75</i>	<i>-</i>	<i>-</i>	<i>63.75</i>	<i>-</i>	<i>-</i>

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million

10. Non-Current Investments	As at March 31, 2023	As at March 31, 2022
<b>Long term Investments (at Cost)</b>		
<b>Other than Trade, Unquoted</b>		
Investment in Celstream Systems Private Limited [Refer Note 24] (3,100 Equity Shares of face value ₹100 each fully paid) (2022: 1,600 Equity Shares of face value ₹100 each fully paid)	90.86	83.81
	<b>90.86</b>	<b>83.81</b>

11. Long Term Loans and Advances	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>		
Rental Deposit	6.82	5.38
Other Deposits	0.01	0.01
Advance to Celstream Systems Private Limited [Refer Note 24] (Advance to support construction of office infrastructure/business operations)	-	194.57
	<b>6.83</b>	<b>199.96</b>

Type of Borrower	Nature of Loan	March 31, 2023		March 31, 2022	
		Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Related Parties	Repayable on demand	-	-	194.57	100%

12. Trade Receivables	As at March 31, 2023	As at March 31, 2022
Debts outstanding for a period exceeding six months from the date they were due for payment Unsecured, Considered Good	-	-
Other Debts (Unsecured, Considered Good) [Include Celstream Systems Private Limited Nil (2022: ₹2.05 Mn.) (Refer Note 24)]	56.88	52.99
	<b>56.88</b>	<b>52.99</b>

Particulars	March 31, 2023							March 31, 2022						
	Not Due	Outstanding for following periods from due date of payment					Total	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables:</b>														
(i) Considered good	53.02	3.86	-	-	-	-	56.88	50.94	2.05	-	-	-	-	52.99
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Disputed Trade receivables:</b>														
(iv) Considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-

13. Cash and Cash Equivalents	As at March 31, 2023	As at March 31, 2022
<b>Balances with Banks</b>		
- Current Accounts	26.93	9.13
- Term Deposits	102.30	35.00
- Deposit Account [Held under lien by banks towards bank guarantees and credit card facility]	0.50	0.50
- Other Balances [Representing unclaimed dividends, considered restricted in nature]	30.70	0.16
<b>Cash on Hand</b>	0.02	0.01
	<b>160.45</b>	<b>44.80</b>

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

**Significant Accounting Policies and Notes to Accounts**

In ₹ Million

<b>14. Short Term Loans and Advances</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Unsecured, Considered Good</b>		
Loan to Employees	0.08	-
Prepaid Expenses	4.50	1.70
GST Input Tax Credit	3.74	1.12
Balance with Income Tax, Net of Provision	15.76	1.94
IGST Refund Receivable	6.25	3.32
Advances to Trade Payables	0.38	0.72
	<b>30.71</b>	<b>8.80</b>
<b>15. Other Current Assets</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Unbilled Revenue*	-	0.78
Interest Receivable	0.57	0.34
	<b>0.57</b>	<b>1.12</b>

\* Include Celstream Systems Private Limited Nil (2022: ₹0.78 Mn.) [Refer Note 24]

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million

<b>16. Revenue from Operations</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Income from Software Service (Gross)*	239.74	172.78
Less: GST	(0.72)	-
	<b>239.02</b>	<b>172.78</b>

\* Include Celstream Systems Private Limited Nil (2022: ₹0.87 Mn.) [Refer Note 24]

<b>17. Other Income</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Interest Income	2.40	0.71
Exchange Gain (Net)	4.99	1.94
Dividend Income*	151.20	-
Miscellaneous Income (Net)	0.01	0.04
	<b>158.60</b>	<b>2.69</b>

\* Include Celstream Systems Private Limited ₹151.20 Mn. (2022: Nil) [Refer Note 24]

<b>18. Employee Benefits Expense</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Salaries, Bonuses and Allowances	128.91	76.23
Gratuity	1.70	3.56
Contribution to Provident and Other Funds	4.07	3.18
Staff Welfare Expenses	0.95	0.51
	<b>135.63</b>	<b>83.48</b>

<b>19. Other Expenses</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Project Work Expenses	1.48	2.75
Rent*	14.17	11.28
Rates and Taxes	0.21	0.64
Insurance	2.09	2.31
Software Expenses	3.58	1.45
Power and Fuel	2.79	2.42
Repairs and Maintenance:		
- Machinery & Equipment	0.33	0.49
- Others	3.23	0.98
Legal and Professional Charges*	65.72	55.11
Audit Fees:		
- Statutory Audit	0.35	0.35
- Tax Audit	0.19	0.19
- Other Services	0.16	0.06
Staff Recruitment and Training	1.37	1.02
Communication	2.86	2.21
Marketing and Sales Promotion	2.77	2.39
Travelling and Conveyance	2.57	3.83
Bank Charges	0.37	0.18
Miscellaneous Expenses	1.37	0.45
	<b>105.61</b>	<b>88.11</b>

\* Include Celstream Systems Private Limited ₹7.83 Mn.(2022: ₹9.53 Mn.) [Refer Note 24]

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### 20. Reimbursement of Expenses

Reimbursement of Expenses shown under Income represents travel costs and project work expenses incurred on behalf of the customers for specific projects that are reimbursed by them. Project work expenses represent cost of equipment and software purchased on behalf of customers for use in specific projects.

#### 21. Taxes

##### a) Current Tax

The Current Tax of ₹1.74 Mn. representing prior year's assessed tax which is no longer receivable and hence charged to the Statement of Profit and Loss.

##### b) Deferred Tax

The Company has reassessed its Deferred Tax Asset/Liability as at March 31, 2023 and to the extent it is virtually certain of realising such deferred tax assets against future taxable profits, the Company has recognised the deferred tax assets in its books. The Deferred Tax for the year amounting to ₹0.70 Mn. has been charged to the Statement of Profit and Loss. The details of the deferred tax asset as at the Balance Sheet date is as follows:

	2023	(In ₹ Million) 2022
Deferred Tax Assets arising on account of timing difference		
Depreciation	3.96	4.40
Employee Benefits	4.83	5.09
<b>Total Deferred Tax Asset</b>	<b>8.79</b>	<b>9.49</b>

There are no deferred tax liabilities.

#### 22. Employee Stock Options

The Company has issued share options to its employees in accordance with resolutions passed by the shareholders. The stock option plans for employees are administered through the CTPL Senior Executives Trust (CTPL Trust) and Celstream Employees Stock Option Plan Trust (ESOP Trust).

The CTPL Trust holds 346,800 (2022: 346,800) equity shares of the Company and has not granted any stock options to the employees during the year (2022: Nil).

The ESOP Trust holds 428,263 (2022: 228,263) equity shares of the Company and has not granted any stock options to the employees during the year (2022: Nil).

#### 23. Segment Information

The primary reporting of the Company has been performed on the basis of business segments. The Company has one business segment viz. software development and related services, hence, the amounts appearing in these financial statements relate to this primary business segment. Secondary segment reporting is based on the location of the Company's customer and is as detailed below.

Segment Information	(In ₹ Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Software Services:		
America	201.43	135.15
Europe	33.57	36.76
India	4.02	0.87
<b>Total</b>	<b>239.02</b>	<b>172.78</b>
Reimbursement of Expenses:		
America	5.75	6.36
Europe	0.67	0.57
<b>Total</b>	<b>6.42</b>	<b>6.93</b>
Miscellaneous Income:		
India	158.60	2.69
<b>Total</b>	<b>158.60</b>	<b>2.69</b>

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### Assets and additions to Property, Plant & Equipment Assets by geographical area:

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

(In ₹ Million)

Assets	Carrying amount of Segment Assets and Intangible Assets		Addition to Property, Plant and Equipment and Intangible Assets	
	2023	2022	2023	2022
India	364.86	403.47	3.99	0.70
America	0.80	1.09	0.12	-
	365.66	404.56	4.11	0.70

#### 24. Related Parties Disclosure

(a) Related parties and their relationship

S. No.	Name of Related Party	Country of Incorporation	Nature of Relationship
1	Celstream Systems Private Limited	India	Subsidiary (Wholly Owned Subsidiary from March 10, 2023)
2	Thinxtream Technologies Pte. Ltd.	Singapore	Body Corporate with common majority shareholders and a common Director (Related Party upto March 03, 2023)
3	Thinxtream Technologies Inc.	USA	Subsidiary of Thinxtream Technologies Pte. Ltd. (Related Party upto March 03, 2023)
4	Hankwil Consultancy Services LLP	India	Firm in which a Director is a Partner (Related Party from March 23, 2023)
5	Mr. Brijesh R Wahi, Director	-	Non-Executive Chairman (Upto February 23, 2023)
6	Mr. Naresh Victor, Executive Director	-	Key Managerial Personnel
7	Mr. Satyanand Nadkarni, Director	-	Non-Executive Director
8	Mrs. Anitha John, Director	-	Additional Director (From March 23, 2023)

(b) The Company entered into transactions with the following parties. The transactions along with related balances as at Balance Sheet date are presented below.

(In ₹ Million)

S. No.	Name of Related Party	Nature of Transactions	Amount of Transaction	
			2023	2022
1	Celstream Systems Private Limited	<b>Balance as at 31/03:</b>		
		Investments in Equity	90.86	83.81
		Inter-corporate Loans	-	194.57
		Trade Receivables	-	2.05
		Unbilled Trade Receivable	-	0.78
		Unbilled Trade Payables	1.17	9.31

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

		<b>Transactions during the year:</b>		
		Service Fees	-	0.87
		Reimbursement of Other Expenses	-	1.72
		Rent expense	<b>0.10</b>	0.12
		Professional Charges	<b>7.83</b>	9.41
2	Key Managerial Personnel	<b>Transactions during the year:</b>		
		Remuneration (On accrual basis)	<b>9.53</b>	6.03
		Dividend	<b>6.42</b>	-

Note: During the year the Company acquired the remaining 1,500 equity shares of its subsidiary, Celstream Systems Private Limited (CSPL), from the minority shareholders, thus increasing its ownership interest in the subsidiary to 100%, and consequently CSPL became a Wholly Owned Subsidiary of the Company effective March 10, 2023. As at the Balance Sheet date the Company holds 3,100 equity shares (2022: 1,600) of the face value of ₹100 each in CSPL, of which 3,000 shares (2022: 1,500 shares) are held in the name of the Company and 100 shares (2022: 100 shares) are held in the name of Mr. Naresh Victor, with the beneficial ownership vested with the Company.

#### 25. Leases

The Company has taken commercial premises and certain office equipment under cancellable operating leases. The lease agreements are renewable on expiry and provide an option to the Company to renew the lease period. There are no exceptional or restrictive covenants in the lease agreements.

The operating lease rentals for the year debited to the Statement of Profit and Loss are ₹14.18 Mn. (2022: ₹11.28 Mn.). The operating lease rentals under non-cancellable lease/period (i.e., lock-in) for the year debited to the Statement of Profit and Loss: ₹4.34 Mn. (2022: ₹9.21 Mn.)

Future minimum lease payments under non-cancellable lease/period:

Payable not later than one year: ₹1.80 Mn (2022: ₹3.91 Mn.)

Payable later than one year: Nil (2022: Nil.)

#### 26. Employee Benefits

##### (a) GRATUITY

#### EXPENSE TO BE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

		2023	2022
<b>A. SERVICE COST</b>			
1	Current service Cost	<b>1.19</b>	0.88
2	Past service cost	-	-
3	Plan Amendment	-	-
4	Curtailment Cost/(Credit)	-	-
5	Settlement Cost/(Credit)	-	-
6	Total Service Cost	<b>1.19</b>	0.88
<b>B. NET INTEREST COST</b>			
7	Interest Cost	<b>1.25</b>	1.07
8	Expected Return on Asset	<b>(0.19)</b>	(0.11)
9	Interest (income) on Reimbursement rights	-	-
10	Interest expense on effect of (asset ceiling)	-	-
11	Total Net Interest	<b>1.06</b>	0.96
12	Immediate Recognition of (Gain)/Losses	<b>0.02</b>	0.66
13	Cost of Termination Benefits/Acquisitions/Transfers	-	-

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

14	Administrative Expenses/Taxes/Insurance Cost/Exchange Rate cost	-	-
15	Amount not recognised as asset (Limit of Para59(b))	-	-
16	Defined Benefits cost included in P&L (including Para 59(b))	<b>2.22</b>	1.18

**Discount Rate as per Para 78 of AS 15 (R) (2005) 7.55%**

#### ANALYSIS OF ACTUARIAL (GAIN)/LOSS

	Particulars	2023	2022
1	Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	-
2	Actuarial (Gain)/Losses due to Financial Assumption changes in DBO	<b>(0.05)</b>	(0.28)
3	Actuarial (Gain)/Losses due to Experience Adjustments on DBO	<b>(0.08)</b>	(0.44)
4	Return on Plan Assets (Greater)/Less than Discount rate	<b>0.11</b>	0.06
5	Return on reimbursement rights (excluding interest income)	-	-
6	Changes in asset ceiling /onerous liability (excluding interest Income)	-	-
7	Total Actuarial (Gain)/loss	<b>(0.02)</b>	(0.66)

#### AMOUNTS TO BE RECOGNISED IN BALANCE SHEET

	Particulars	2023	2022
1	Present value of Funded Obligation	<b>18.69</b>	16.90
2	Fair Value of Plan Assets	<b>3.77</b>	1.41
3	Present value of Unfunded obligation (120 d)	-	-
4	Funded status [(Deficit)] {Para 64(a)}	<b>(14.93)</b>	(15.50)
5	Unrecognised Past Service Costs	-	-
6	Amount not Recognised as an Asset (limit in Para 59 (b))	-	-
7	Net Liability	<b>(14.93)</b>	(15.50)
8	Net Liability Recognised in BS	<b>(14.93)</b>	(15.50)

#### KEY ASSUMPTIONS

One of the principal assumptions is the Discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term/tenor that matches the term of liabilities and applicable to the period over which the obligation is to be settled The Financial and Demographic assumptions employed for the calculations as at the end of previous period and current period are as follows:

Assumption			
		2023	2022
1	Discount rate	<b>7.55%</b>	7.49%
2	Expected return on assets	<b>7.49%</b>	7.13%
3	Salary Escalation	<b>5.00%</b>	5.00%
4	Attrition Rate	<b>5.00%</b>	5.00%
Mortality - Indian Assured Lives Mortality (2012-14) Ultimate		LIFO	

Disability: Provided under demographic assumptions P 24

Notes:

- All the assumptions have been set following discussions with the company in this regard.
- The level of inflation, career promotions, productivity gains and other relevant factors, such as supply and demand in the employment market are factored in the assumption of future salary increases.
- No allowance has been made for discretionary payments in the assumptions as the company has not notified such practices (A.P.S.8.6.3)



## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### (b) Leave Benefits

#### EXPENSE TO BE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS INCOME STATEMENT

	Components of Employer expense	2023	2022
1	Present Value of Defined Benefits Obligation at Beginning (Opening)	3.91	3.72
2	Present Value of Defined Benefits Obligation at Beginning (Closing)	4.26	3.91
3	Net Increase in Liability over the valuation period	0.35	0.19
4	Benefit payments from employer	-	-
5	Benefits Pay-outs from plan	-	-
6	Cost of Termination Benefits/Acquisitions/Transfers	-	-
7	less actual return on Plan assets	-	-
8	Defined Benefits cost included in P&L	0.35	0.19

#### NET ASSET/(LIABILITY) RECOGNISED IN BALANCE SHEET

		2023	2022
1	Present value of Funded Obligation	-	-
2	Fair Value of Plan Assets	-	-
3	Present value of Unfunded obligation	4.26	3.91
4	Funded status [Surplus/(Deficit)]	(4.26)	(3.91)
5	Unrecognised Past Service Costs	-	-
6	Amount not Recognised as an Asset (limit in Para 59(b))	-	-
7	Net Liability	(4.26)	(3.91)
8	Recognised in balance sheet	(4.26)	(3.91)
9	Present value of Encashment Obligation	3.99	3.67
10	Present value of Availment Obligation	0.27	0.24

#### KEY ASSUMPTIONS

One of the principal assumptions is the discount rate, which should be based upon the market yields available on Government bonds at the accounting date with a term that matches the liabilities and applicable to the period over which the obligation is to be settled. The financial and demographic assumptions employed for the calculations as at the end of previous period and current period are as follows.

Assumption			
		2023	2022
1	Discount rate	7.55%	7.49%
2	Expected return on assets	0.00%	0.00%
3	Salary Escalation	5.00%	5.00%
4	Attrition Rate	5.00%	5.00%
Leave Accounting & Consumption Technique		LIFO	
Proportion of Leave Availment		5.00%	
Proportion of encashment on separation		95.00%	

Disability: Provided under demographic assumptions

Notes:

- All the assumptions have been set following discussions with the company in this regard.

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

2. The assumption of future salary increases (which has been set in consultation with the company), take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### 27. Capital Commitments

	(In ₹ Million)	
	2023	2022
Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances	8.46	Nil

#### 28. Contingent Liabilities

	(In ₹ Million)	
	2023	2022
(a) Bank Guarantees	0.25	0.25
(b) Corporate Guarantee (Executed in favour of HDFC Ltd towards a term loan borrowed by Celstream Systems Private Limited)	-	152.50
(c) The Company has export obligations under the Software Technology Park (STP) scheme. In accordance with such scheme, the Company procures capital goods without payment of duties, for which, agreements and bonds are executed by the Company in favour of the Government. In case the Company does not fulfil the export obligation, it shall be liable to pay, on demand, an amount equal to such duties saved including interest and liquidated damages. As the Company expects to meet its commitment to earn the requisite revenue in foreign exchange as per the norms prescribed by the STP authorities and is using such capital goods for earning export revenue, the contingent liabilities on account of this have not been quantified.		

#### 29. Derivative Instruments & Unhedged Foreign Currency Exposure

##### Particulars of Unhedged Foreign Currency as on Balance Sheet Date

Particulars	Amount
Foreign Debtors	₹54.69 Mn. (US\$ @ Closing rate of 1 US\$ = ₹80.87) [2022: ₹50.94 Mn. (US\$ @ Closing rate of 1 US\$ = ₹75.90)]
Foreign Creditors	Nil [2022: Nil]

#### 30. Supplementary Statutory Information (to the extent applicable)

	(In ₹ Million)	
	2023	2022
(a) <b>Earnings in Foreign Currency (Accrual basis)</b>		
Software Development Services/Reimbursement of Expenses	241.42	178.83
(b) <b>Expenditure in Foreign Currency (Accrual basis)</b>		
Representative Office Expenses (including Salaries etc.)	3.60	6.31
Others	1.78	1.69
(c) <b>Value of Imports Calculated on CIF basis</b>	Nil	Nil

31. The Company has paid an Interim Dividend of ₹35/- per equity share to its shareholders during the financial year ended March 31, 2023. This has resulted in a net cash outflow of ₹253.28 Mn. for the financial year ended March 31, 2023.

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### 32. Ratios

Sl No.	Particulars	Numerator	Denominator	As at March 31		Variance
				2023	2022	(in %)
1	Current Ratio	Current assets	Current liabilities	<b>2.54</b>	2.59	(1.93)
2	Debt-Equity Ratio	Total debt	Shareholder's equity	NA	NA	NA
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	NA	NA	NA
4	Return on Equity Ratio	Net profits after taxes	Average shareholder's equity	<b>4.38</b>	0.22	1,890.91 <sup>a</sup>
5	Inventory turnover ratio			NA	NA	NA
6	Trade Receivables turnover ratio	Revenue	Average trade receivable	<b>4.47</b>	3.74	19.52
7	Trade payables turnover ratio	Purchases of services & other expenses	Average trade payables	<b>5.40</b>	5.13	5.26
8	Net capital turnover ratio	Sales	Working Capital	<b>2.68</b>	2.76	2.90
9	Net profit ratio	Net Profit	Sales	<b>0.39</b>	0.04	875.00 <sup>a</sup>
10	Return on Capital employed	Earning before interest and taxes	Capital employed	<b>0.64</b>	0.02	3,100.00 <sup>b</sup>
11	Return on investment	Income generated from investments	Time weighted average investments	<b>1.66</b>	-	100.00 <sup>c</sup>

Notes:

- a Revenue growth together with earnings from dividend
- b Revenue growth and improved profitability
- c Earnings from dividend on investment

33. The Covid19 pandemic caused unprecedented global slowdown in the previous years, creating an uncertain future for our existing and prospective customers with difficult supply chain logistics and global inflationary pressures. As at the Balance Sheet date, the impact of the pandemic has been taken into account, therefore no adjustment to the financial statements is required.

34. Previous year's figures have been regrouped where necessary to conform to the current year's classification.

As per our report of even date

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board of Directors of**  
**Celstream Technologies Private Limited**

**Shivaram Bhat**  
Partner  
Membership No.: 242666

**Naresh Victor**  
Executive Director  
DIN: 00039962

**Satyanand Nadkarni**  
Director  
DIN: 08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

**Cash Flow Statement for the year ended March 31, 2023**

In ₹ Million

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>161.04</b>	7.30
Adjustments for:		
Depreciation and Amortization	1.76	3.51
Dividend Income	(151.20)	-
Interest Income	(2.40)	(0.71)
<b>Operating Profit Before Working Capital Changes</b>	<b>9.20</b>	10.10
Movements in Working Capital:		
(Increase)/Decrease in Trade Receivables	(3.90)	(9.96)
(Increase)/Decrease in Other Current Assets	0.54	(0.12)
(Increase)/Decrease in Loans and Advances	(7.96)	2.55
Increase/(Decrease) in Current Liabilities and Provisions	55.81	12.19
<b>Cash Generated from Operations</b>	<b>53.69</b>	14.76
Direct Taxes (Payments)/Refund (Net)	(15.70)	(0.13)
<b>Net Cash from Operating Activities</b>	<b>37.99</b>	14.63
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment (Net)	(8.74)	(0.63)
Movement in Intercompany Loans & Advances to Subsidiary	193.13	1.09
Investment in Equity shares	(7.05)	-
Dividend from Equity shares	151.20	-
Fixed Deposit	25.00	(15.00)
Interest Received	2.40	0.71
<b>Net Cash from/(used in) Investing Activities</b>	<b>355.94</b>	(13.83)
<b>C. Cash Flows from Financing Activities</b>		
Payment of Dividend	(253.28)	-
<b>Net Cash used in Financing Activities</b>	<b>(253.28)</b>	-
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>140.65</b>	0.80
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>19.30</b>	18.50
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>159.95</b>	19.30
<b>Components of Cash and Cash Equivalents:</b>		
Balances with Scheduled Banks		
- In Current Account	26.93	9.13
- In Deposit Account	102.80	35.50
- In Unclaimed Dividend Account	30.70	0.16
Cash on Hand	0.02	0.01
	<b>160.45</b>	44.80
Less: Fixed Deposits with maturity greater than 3 months	(0.50)	(25.50)
	<b>159.95</b>	19.30

As per our report of even date

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board of Directors of**  
**Celstream Technologies Private Limited**

**Shivaram Bhat**  
Partner  
Membership No. 242666

**Naresh Victor**  
Executive Director  
DIN:00039962

**Satyanand Nadkarni**  
Director  
DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

## INDEPENDENT AUDITOR'S REPORT

To,

**The Members of CELSTREAM TECHNOLOGIES PRIVATE LIMITED,**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of CELSTREAM TECHNOLOGIES PRIVATE LIMITED, (hereinafter referred to as the 'Holding Company') and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprises the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023 and their consolidated profit, and their consolidated cash flows for the year then ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Sec. 164(2) of the Act.
- f. As per the relaxation notification given by the Ministry of Corporate Affairs dated June 13, 2017, reporting on internal financial controls over financial reporting are not applicable to the said company.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
  - i. The Company has no litigation which requires disclosure, which would impact its financial position in its Consolidated financial statements.
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Company.
  - iv. (a) The respective Management of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The respective Management of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, , to the best of their knowledge and belief, other than as disclosed in the

notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c)Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v. The Company (Holding and Subsidiaries) have declared and paid dividends during the year which is in compliance with the provisions of section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

Date: August 23, 2023  
Place: Bengaluru

**Shivaram Bhat**  
Partner  
M.No. 242666  
UDIN: 23242666BGXHVD6295



**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

**Consolidated Balance Sheet as at March 31, 2023**

In ₹ Million

	<b>Note No.</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	<b>36.18</b>	36.18
Reserves and Surplus	4	<b>235.61</b>	234.34
		<b>271.79</b>	270.52
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	-	88.05
Other Long Term Liabilities	6	-	37.09
Long Term Provisions	7	<b>16.98</b>	17.31
		<b>16.98</b>	142.45
<b>Current Liabilities</b>			
Short Term Borrowings	8	-	23.88
Trade Payables	9		
- Dues to Micro and Small Enterprises		<b>0.36</b>	-
- Dues to Other than Micro and Small Enterprises		<b>21.31</b>	26.47
Other Current Liabilities	10	<b>77.88</b>	21.49
Short Term Provisions	11	<b>4.33</b>	4.94
		<b>103.88</b>	76.78
<b>TOTAL</b>		<b>392.65</b>	489.75
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Goodwill		<b>91.46</b>	84.56
Property, Plant and Equipment and Intangible assets			
- Property, Plant and Equipment	12a	<b>5.95</b>	245.72
- Intangible Assets	12b	-	-
- Capital Work in Progress		<b>4.63</b>	-
Deferred Tax Assets		<b>9.33</b>	7.79
Long Term Loans and Advances	13	<b>8.43</b>	7.00
		<b>119.80</b>	345.07
<b>Current Assets</b>			
Trade Receivables	14	<b>66.82</b>	58.33
Cash and Cash Equivalents	15	<b>166.32</b>	60.46
Short Term Loans and Advances	16	<b>33.07</b>	12.00
Other Current Assets	17	<b>6.64</b>	13.89
		<b>272.85</b>	144.68
<b>TOTAL</b>		<b>392.65</b>	489.75

Significant Accounting Policies and Notes to Accounts 1 to 35

Significant Accounting Policies and Notes to Accounts form an integral part of the consolidated financial statements.

As per our report of even date

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board of Directors of**  
**Celstream Technologies Private Limited**

**Shivaram Bhat**  
Partner  
Membership No. 242666

**Naresh Victor**  
Executive Director  
DIN:00039962

**Satyanand Nadkarni**  
Director  
DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED****Consolidated Statement of Profit and Loss for the Year ended March 31, 2023**

In ₹ Million, except share and per share data

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations	18	314.43	261.85
Reimbursement of Expenses		20.27	15.72
Other Income	19	498.53	3.66
<b>TOTAL INCOME</b>		<b>833.23</b>	<b>281.23</b>
<b>EXPENSES</b>			
Employee Benefits Expense	20	156.54	108.22
Finance Costs	21	10.66	12.21
Depreciation and Amortisation Expense	12a	9.69	12.95
Other Expenses	22	142.16	110.16
<b>TOTAL EXPENSES</b>		<b>319.05</b>	<b>243.54</b>
<b>Profit Before Tax</b>		<b>514.18</b>	<b>37.69</b>
<b>Tax Expense</b>			
Current Tax		119.27	-
Deferred Tax		(1.54)	(0.29)
		<b>117.73</b>	<b>(0.29)</b>
<b>Profit After Tax, Before Minority Interest</b>		<b>396.45</b>	<b>37.98</b>
Minority Interest		-	14.48
<b>Profit for the Year</b>		<b>396.45</b>	<b>23.50</b>
<b>Earnings Per Share</b>			
Basic and Diluted [Nominal Value of Shares: ₹5 (Previous Year: ₹5)]		54.78	3.25
[Weighted Average Number of Shares considered for computing above: 7,236,555 Shares (2022: 7,236,555 Shares)]			
Significant Accounting Policies and Notes to Accounts	1 to 35		

Significant Accounting Policies and Notes to Accounts form an integral part of the consolidated financial statements.

As per our report of even date

**For G V Sunder & Company**  
Chartered Accountants  
FRN: 007248S

**For and on behalf of the Board of Directors of**  
**Celstream Technologies Private Limited**

**Shivaram Bhat**  
Partner  
Membership No. 019190

**Naresh Victor**  
Executive Director  
DIN:00039962

**Satyanand Nadkarni**  
Director  
DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

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#### 1. Nature of Operations

Celstream Technologies Private Limited ('the Company' or 'Celstream' or 'CTPL') was incorporated in April 2000. It has a subsidiary, Celstream Systems Private Limited ('CSPL', 'Subsidiary') based in Bengaluru. The Company also has a Representative Office in USA. CSPL was incorporated in June 1991 and was a Subsidiary since August 2009. It became Wholly Owned Subsidiary effective March 10, 2023.

The Company, together with its Subsidiary (collectively the "Group") is engaged in the business of providing software development services in Big Data Analytics, Cloud Computing, Embedded Systems, Internet of Things, Machine Learning, Mobile Computing, Web Applications and other digital technologies to leading technology firms; and the provision of infrastructure.

#### 2. Statement of Significant Accounting Policies

##### (a) Basis of Preparation

The Consolidated Financial Statement ("CFS") have been prepared to comply in all material respects with Accounting Standard (AS) 21 "Consolidated Financial Statements" and other applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 & the relevant provisions of the Companies Act, 2013 and in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention and on accrual basis.

##### (b) Principles of Consolidation

The CFS has been prepared on the following basis:

(i) The CFS includes the financial statements of the Parent Company and its subsidiary. The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, income and expenditure after eliminating all inter-company balances/transactions.

(ii) Minority interest in the net assets of consolidated subsidiary consist of :

- a) The amount of equity attributable to the minorities at the dates on which investments in subsidiary was made; and
- b) The minorities share of movements in equity since date of parent-subsidiary relationship came into existence.

Minority interest in share of net results for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to minority over and above the minority interest in the equity of subsidiary is absorbed by the Company.

(iii) The CFS is prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

##### (c) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Property, Plant and Equipment under construction and cost of assets not ready for use before the year end, are disclosed as Capital Work in Progress. Advance paid towards acquisition of Property, Plant and Equipment as at the year end are disclosed in Short term Loans and Advances. The Company has provided for depreciation using straight line method over the useful lives of respective assets, as prescribed under Schedule II of the Companies Act, 2013.

##### (d) Goodwill

The Goodwill arising on acquisition of a group asset is not amortised and is tested for impairment if indicators of impairment exists.

##### (e) Intangible Assets

Intangible Assets comprise of software acquired for internal use and software products developed in-house by the Group entities for commercial purpose. The Intangible Assets are stated at cost, less accumulated amortisation and impairment losses, if any. The Intangible Assets are being amortised over the estimated useful life of three years. The software products and upgrades at various stages of development at the end of the Financial Year are reflected at cost as Intangible Assets under Development in the Balance Sheet.

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

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#### **(f) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### **(g) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### **(h) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### **(i) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Software Development on a time-and-material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed price contracts, revenue is recognized over the contract term based on the proportionate completion method. The Company measures progress towards completion based on the achievement and acceptance of contract milestones provided no further vendor obligations remain and collection is probable. Losses on fixed price contracts are recognised during the period in which loss first becomes apparent.

Revenue from Infrastructure Service is recognized based on Income accrued and billed to clients as per the terms of specific contracts.

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

Dividend revenue is recognised when the right to receive the payment is established.

#### **(j) Foreign Currency Transaction**

##### **(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### **(iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### **Significant Accounting Policies and Notes to Accounts**

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(iv) Forward Exchange Contracts not intended for trading or speculation purposes

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

(v) Translation of Foreign Representative Offices operations

The financial statements of the integral foreign representative offices are translated as if the transactions of the foreign operation have been those of the Company itself.

#### **(k) Employee Benefits**

(i) Gratuity

Gratuity liability is a defined benefit obligation. The gratuity obligation is provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year in respect of the employees of the Company and its Indian subsidiary. Actuarial gains/losses are taken to the Statement of Profit and Loss.

(ii) Provident Fund

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The contribution are made to the Regional Provident Fund in respect of the employees of the Company and its Indian subsidiary. There are no other obligations other than the contribution payable to the Regional Provident Fund in India.

(iii) Compensated Absences

Short term compensated absences are provided for on actuarial basis in respect of employees of Indian entities and as per the prevailing laws of the respective countries in respect of foreign entities.

#### **(l) Income Taxes**

Tax expense comprises of Current and Deferred tax. Current income tax is measured in accordance with the relevant tax regulations. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **(m) Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **(n) Provisions**

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

## **CELSTREAM TECHNOLOGIES PRIVATE LIMITED**

### **Significant Accounting Policies and Notes to Accounts**

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#### **(o) Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### **(p) Segment Reporting Policies**

##### **(i) Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided. The analysis of geographical segments is based on the location of the Company's customer.

##### **(ii) Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common

##### **(iii) Unallocated items**

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

#### **(q) Derivative Instruments**

The Company uses derivative financial instruments i.e., forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in Note (j) (iv) above.

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million except share and per share data

3. Share Capital	As at			
	March 31, 2023	March 31, 2022		
<b>Authorised Capital</b>				
20,000,000 (2022: 20,000,000) Equity Shares of ₹5 each	<b>100.00</b>	100.00		
<b>Issued, Subscribed and Fully Paid-Up</b>				
7,236,555 (2022: 7,236,555) Equity Shares of ₹5 each fully paid	<b>36.18</b>	36.18		
<b>a. The reconciliation of number of shares outstanding is as given below</b>				
	No. of Shares			
Equity Shares at the beginning of the Year	7,236,555	7,236,555		
Add: Shares issued during the Year	-	-		
Less: Shares cancelled on buy back of Equity Shares	-	-		
Equity Shares at the end of the Year	7,236,555	7,236,555		
<b>b. Terms/Rights attached to Equity Shares</b>				
The Company has only one type & class of shares, being ordinary equity shares, having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to shareholders approval in the ensuing Annual General Meeting.				
<b>c. The details of shareholders holding more than 5% of shares</b>				
	As at March 31, 2023		As at March 31, 2022	
Name of the Shareholder	No. of Shares	% Held	No. of Shares	% Held
1. Brijesh R Wahi	-	-	2,270,176	31.37
2. Pooja R Wahi	<b>2,320,176</b>	<b>32.06</b>	-	-
3. Bernadette Wahi	<b>1,405,616</b>	<b>19.42</b>	1,655,616	22.88
4. Technicolor S.A.	<b>648,774</b>	<b>8.97</b>	648,774	8.97
5. Celstream Employees Stock Option Plan Trust	<b>428,263</b>	<b>5.92</b>	228,263	3.15
6. Siemens Syntex Private Limited	<b>362,200</b>	<b>5.01</b>	387,200	5.35
<b>d. Shares held by promoters at the end of the year</b>				
	As at March 31, 2023		As at March 31, 2022	
Name of the promoter	No. of Shares	% Held	No. of Shares	% Held
1. Brijesh R Wahi	-	-	2,270,176	31.37
<b>4. Reserves and Surplus</b>				
	As at		As at	
	March 31, 2023		March 31, 2022	
<b>Securities Premium</b>	<b>7.31</b>		7.31	
<b>General Reserve</b>	<b>28.30</b>		28.30	
<b>Surplus in the Statement of Profit and Loss</b>				
Balance as per last Financial Statement	<b>236.39</b>		212.89	
Add: Net Profit/(Loss) after Tax	<b>396.45</b>		23.50	
	<b>632.84</b>		236.39	
Less: Dividend	<b>395.03</b>		-	
Less: Transferred from Minority Interest	<b>37.66</b>		-	
Less: Face value of equity shares of subsidiary	<b>0.15</b>		-	
Net Surplus in the Statement of Profit and Loss	<b>200.00</b>		236.39	
<b>Minority Interest</b>				
Opening balance	<b>(37.66)</b>		(52.14)	
Less: Transferred to Surplus in Statement of Profit and Loss	<b>37.66</b>		14.48	
Closing balance	<b>-</b>		(37.66)	
<b>Total</b>	<b>235.61</b>		234.34	
<b>5. Long Term Borrowings</b>				
	As at		As at	
	March 31, 2023		March 31, 2022	
<u>Term Loans</u>				
Loan from Housing Development Finance Corporation Ltd. (by CSPL)	<b>-</b>		88.05	
	<b>-</b>		88.05	

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million except share and per share data

A. The above secured term loan from Housing Development Finance Corporation Ltd. ("HDFC") consists of Nil (2022: ₹111.93 Mn.) carrying interest at the rate of Nil (2022: 10.10% p.a) and includes current maturities of long term debt (Refer Note 8).

The loan was secured by:

- i) Pledge of 100% shares of Subsidiary.
- ii) Pledge of the immovable property of Subsidiary.

<b>6. Other Long Term Liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Security Deposits	-	37.09
	<b>-</b>	<b>37.09</b>

<b>7. Long Term Provisions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Provision for Employee Benefits</b>		
Gratuity	<b>12.76</b>	13.45
Leave Benefits	<b>4.22</b>	3.86
	<b>16.98</b>	<b>17.31</b>

<b>8. Short Term Borrowings</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Current maturities of long term borrowings</b>		
From Others - Secured (Refer Note 5)		
Loan from Housing Development Finance Corporation Limited	-	23.88
	<b>-</b>	<b>23.88</b>

<b>9. Trade Payables</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Dues to Micro and Small Enterprises	<b>0.36</b>	-
Dues to Other than Micro and Small Enterprises	<b>21.31</b>	26.47
	<b>21.67</b>	<b>26.47</b>

Particulars	March 31, 2023							March 31, 2022						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total Trade Payables	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total Trade Payables
			Less than 1 year	1-2 years	2-3 years	More than 3 years				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.36	-	-	-	-	0.36	0.55	-	-	-	-	-	0.55
(ii) Others	4.57	16.50	0.10	-	-	0.14	21.31	16.43	9.07	0.08	0.07	0.27	-	25.92
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<b>10. Other Current Liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Statutory Liabilities	<b>5.94</b>	5.51
Unclaimed Dividends	<b>0.35</b>	0.16
Unpaid Dividends	<b>29.50</b>	-
Employee Liabilities	<b>42.07</b>	15.63
Other Liabilities and Retentions	<b>0.02</b>	0.19
	<b>77.88</b>	<b>21.49</b>

<b>11. Short Term Provisions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Provision for Employee Benefits</b>		
Gratuity	<b>3.29</b>	4.07
Leave Benefits	<b>1.04</b>	0.87
	<b>4.33</b>	<b>4.94</b>



CELSTREAM TECHNOLOGIES PRIVATE LIMITED

Significant Accounting Policies and Notes to Accounts

12. Property, Plant and Equipment and Intangible Assets

a. Property, Plant and Equipments

In ₹ Million

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2022	Additions during the Year	Deletions during the Year	As at March 31, 2023	As at April 1, 2022	For the Year	Deletions during the Year	As at March 31, 2023	As at March 31, 2023	As at Mar 31, 2022
<b>Tangible Assets</b>										
Land	10.67	-	10.67	-	-	-	-	-	-	10.67
Building	281.16	-	279.53	1.63	62.37	3.29	64.24	1.42	0.21	218.79
Leasehold Improvements	29.23	-	29.23	-	29.23	-	29.23	-	-	-
Plant & Machinery	5.35	-	5.35	-	3.72	0.16	3.88	-	-	1.63
Furniture and Fixtures	67.89	-	67.89	-	57.56	4.00	61.56	-	-	10.33
Computer Equipment	60.41	4.11	56.38	8.14	58.60	1.16	56.38	3.38	4.76	1.81
Office Equipment	26.88	0.04	26.57	0.35	25.46	0.81	26.10	0.17	0.18	1.42
Vehicles	3.13	-	-	3.13	2.06	0.27	-	2.33	0.80	1.07
<b>Total</b>	<b>484.72</b>	<b>4.15</b>	<b>475.62</b>	<b>13.25</b>	<b>239.00</b>	<b>9.69</b>	<b>241.39</b>	<b>7.30</b>	<b>5.95</b>	<b>245.72</b>
<i>Previous Year</i>	<i>483.71</i>	<i>1.32</i>	<i>0.31</i>	<i>484.72</i>	<i>226.29</i>	<i>12.95</i>	<i>0.24</i>	<i>239.00</i>	<i>245.72</i>	<i>257.42</i>

Note: The Land together with building was pledged to Housing Development Finance Corporation Ltd, as a collateral security towards the loan borrowed by Subsidiary. The loan has been repaid in full and closed during the year.

b. Intangible Assets

In ₹ Million

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2022	Additions during the Year	Deletions during the Year	As at March 31, 2023	As at April 1, 2022	For the Year	Deletions during the Year	As at March 31, 2023	As at March 31, 2023	As at Mar 31, 2022
Software	63.75	-	63.75	-	63.75	-	63.75	-	-	-
<b>Total</b>	<b>63.75</b>	<b>-</b>	<b>63.75</b>	<b>-</b>	<b>63.75</b>	<b>-</b>	<b>63.75</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Previous Year</i>	<i>63.75</i>	<i>-</i>	<i>-</i>	<i>63.75</i>	<i>63.75</i>	<i>-</i>	<i>-</i>	<i>63.75</i>	<i>-</i>	<i>-</i>

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million

13. Long Term Loans and Advances	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured, Considered Good</b>		
Deposits	8.43	7.00
	<b>8.43</b>	<b>7.00</b>

14. Trade Receivables	As at	
	March 31, 2023	March 31, 2022
Debts outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good	-	-
Other Debts (Unsecured, Considered Good)	66.82	58.33
	<b>66.82</b>	<b>58.33</b>

[Due from Thinxstream Technologies Pte. Ltd. ₹5.46 Mn. (2022: ₹7.39 Mn. ) (Refer Note 26)]

Particulars	March 31, 2023						Total	Not Due	March 31, 2022					Total	
	Not Due	Outstanding for following periods from due date of payment							Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years				Less than 6 months	6 months - 1 year	1-2 years	2-3 years		More than 3 years
Undisputed Trade receivables:															
(i) Considered good	53.02	13.80	-	-	-	-	66.82	50.94	7.39	-	-	-	-	58.33	
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disputed Trade receivables:															
(iv) Considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(v) Have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(vi) Credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

15. Cash and Cash Equivalents	As at	
	March 31, 2023	March 31, 2022
<b>Balances with Banks</b>		
- Current Accounts	32.01	10.99
- Term Deposits	102.32	48.02
- Deposit Account	1.27	1.27
[Held under lien by banks towards bank guarantees and credit card facility]		
- Other Balances	30.70	0.16
[Representing unclaimed dividends, considered restricted in nature]		
<b>Cash on Hand</b>	<b>0.02</b>	<b>0.02</b>
	<b>166.32</b>	<b>60.46</b>

16. Short Term Loans and Advances	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured, Considered Good</b>		
Loan to Employees	0.08	0.08
Prepaid Expenses	4.52	1.85
GST Input Credit	4.01	0.39
Balance with Income Tax, Net of provision	17.70	5.33
IGST Refund Receivable	6.25	3.32
Advances to Trade Payables	0.51	1.03
	<b>33.07</b>	<b>12.00</b>

17. Other Current Assets	As at	
	March 31, 2023	March 31, 2022
Unbilled Revenues*	5.92	13.26
Interest Receivable	0.72	0.63
	<b>6.64</b>	<b>13.89</b>

\* Includes Thinxstream Technologies Pte. Ltd., ₹2.74 Mn. (2022: ₹2.52 Mn.) (Refer Note 26)

**CELSTREAM TECHNOLOGIES PRIVATE LIMITED**
**Significant Accounting Policies and Notes to Accounts**

In ₹ Million

<b>18. Revenue from Operations</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Income from Software Services # (Net of GST*)	249.57	184.47
Income from Rent (Net of GST**)	51.66	61.87
Income from Infrastructure Services (Net of GST***)	13.20	15.51
	<b>314.43</b>	<b>261.85</b>
# Includes Thinxstream Technologies Pte Ltd. ₹10.55 Mn. (2022: ₹12.56 Mn. ) [Refer Note 26]		
* GST ₹0.72 Mn.Nil (2022: Nil )		
** GST ₹9.68 Mn. (2022: ₹11.14 Mn. )		
*** GST ₹2.39 Mn. (2022: ₹2.79 Mn. )		
<b>19. Other Income</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Interest Income	4.32	1.11
Exchange Gain (Net)	5.73	2.36
Profit on Sale of Property, Plant and Equipment	487.78	-
Miscellaneous Income	0.70	0.19
	<b>498.53</b>	<b>3.66</b>
<b>20. Employee Benefits Expense</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Salaries, Bonuses and Allowances	148.40	100.58
Gratuity	2.07	2.72
Contribution to Provident and Other Funds	4.77	4.18
Staff Welfare Expenses	1.30	0.74
	<b>156.54</b>	<b>108.22</b>
<b>21. Finance Costs</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Interest Expense	8.71	12.21
Loan Preclosure Charges	1.95	-
	<b>10.66</b>	<b>12.21</b>
<b>22. Other Expenses</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Project Work Expenses	1.48	5.37
Rent	16.49	13.01
Rates and Taxes	3.45	2.12
Insurance	2.50	2.61
Power and Fuel	13.13	8.58
Repairs and Maintenance:		
- Machinery & Equipment	1.36	1.64
- Others	17.35	12.37
Legal and Professional Charges	62.81	51.33
Staff Recruitment and Training	1.38	1.02
Communication	3.18	2.92
Marketing and Sales Promotion	2.79	2.39
Travelling and Conveyance	2.92	3.97
Bank Charges	0.39	0.19
Software Expenses	3.60	1.48
Commission	7.20	-
Miscellaneous Expenses	2.13	1.16
	<b>142.16</b>	<b>110.16</b>

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### 23. Reimbursement of Expenses

Reimbursement of Expenses shown under Income represents travel costs and project work expenses incurred on behalf of customers for specific projects which are reimbursed by them. Project work expenses represent cost of equipment and software purchased on behalf of customers for use in specific projects.

#### 24. Taxes

##### a) Current Tax

The Current Tax includes ₹1.74 Mn. representing prior year's assessed tax which is no longer receivable and hence charged to the Statement of Profit and Loss.

##### b) Deferred Tax

The Company has reassessed its Deferred Tax Asset/Liability as at March 31, 2023 and to the extent it is virtually certain of realising such deferred tax assets against future taxable profits, the Company has recognised the deferred tax assets in its books. The Deferred Tax for the year amounting to ₹1.54 Mn. has been charged to the Statement of Profit and Loss. The details of the deferred tax asset as at the Balance Sheet date is as follows:

	(In ₹ Million)	
	2023	2022
Deferred Tax Assets arising on account of timing difference		
<b>Deferred Tax Assets (DTA)</b>		
Employee Benefits	<b>5.36</b>	5.61
Depreciation	<b>3.97</b>	2.18
<b>Deferred Tax Asset (Net)</b>	<b>9.33</b>	7.79

There are no deferred tax liabilities.

#### 25. Segment Information

The primary reporting segment of the Group has been performed on the basis of business segments. The Group has two business segments during the year viz. a) software development services; and b) income from infrastructure leasing services. The secondary reporting segment is based on the location of the customers.

	(In ₹ Million)	
	2023	2022
<b>Primary Segment</b>		
Software development services	<b>249.57</b>	184.47
Income from infrastructure leasing services	<b>64.86</b>	77.38
<b>Secondary Segment</b>		
Software development and related products and services		
America	<b>201.43</b>	135.15
Europe	<b>33.57</b>	36.76
India	<b>4.02</b>	-
Singapore	<b>10.55</b>	12.56
<b>Total</b>	<b>249.57</b>	184.47
Income from infrastructure		
India	<b>64.86</b>	77.38
Reimbursement of Expenses:		
America	<b>5.75</b>	6.36
Europe	<b>0.67</b>	0.57
India	<b>13.85</b>	5.80
Singapore	<b>-</b>	2.99
<b>Total</b>	<b>20.27</b>	15.72
Miscellaneous Income:		
India	<b>498.53</b>	3.66
<b>Total</b>	<b>498.53</b>	3.66

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### 26. Related Parties Disclosure

- (a) Related parties and their relationship

S. No.	Name of Related Party	Country of Incorporation	Nature of Relationship
1	Thinxstream Technologies Pte. Ltd.	Singapore	Body Corporate with common majority shareholders and a common Director (Related Party upto March 10, 2023)
2	Thinxstream Technologies, Inc.	USA	Subsidiary of Thinxstream Technologies Pte. Ltd. (Related Party upto March 10, 2023)
3	Hankwil Consultancy Services LLP	India	Firm in which a Director is a Partner (Related Party from March 23, 2023)
4	Mr. Brijesh R Wahi, Director	-	Non-Executive Chairman (Upto February 23, 2023)
5	Mr. Naresh Victor, Executive Director	-	Key Managerial Personnel
6	Mr. Satyanand Nadkarni, Director	-	Non-Executive Director
7	Mrs. Anitha John, Director	-	Additional Director (From March 23, 2023)

- (b) The following are the significant related party transactions during the year along with related balances as at Balance Sheet date.

(In ₹ Million)

Sl. No.	Name of Related Party	Nature of Transactions	Amount of Transaction	
			2023	2022
1	Thinxstream Technologies Pte. Ltd.	<b>Balance as at 31/03:</b>		
		Trade Receivables	5.46	7.39
		Unbilled Revenues	1.82	2.52
		<b>Transactions during the year:</b>		
		Software Services & Reimbursement of expenses	10.55	16.52
2	Key Managerial Personnel	<b>Transactions during the year:</b>		
		Remuneration (On accrual basis)	11.97	6.03
		Dividend	6.42	-

#### 27. Leases

The commercial premises and certain office equipment were taken under cancellable operating leases. The lease agreements are renewable on expiry and provide an option to renew the lease period. There are no exceptional or restrictive covenants in the lease agreements.

The operating lease rentals for the year debited to the Consolidated Statement of Profit and Loss are ₹16.49 Mn. (2022: ₹13.01 Mn.)

The operating lease rentals under non-cancellable lease/period (i.e., lock-in) for the year debited to the Statement of Profit and Loss: ₹4.34 Mn. (2022: ₹9.21 Mn.)

Future minimum lease payments under non-cancellable lease/period:

Payable not later than one year: ₹1.80 Mn (2022: ₹3.91 Mn.) Payable later than one year: Nil (2022: Nil.)

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### 28. Contingent Liabilities

	(In ₹ Million)	
	2023	2022
(a) Bank Guarantees	0.60	0.60
(b) Corporate Guarantee (Executed in favour of HDFC Ltd towards a term loan borrowed)	-	152.50
(c) The Company has export obligations under the Software Technology Park (STP) scheme. In accordance with such scheme, the Company procures capital goods without payment of duties, for which, agreements and bonds are executed by the Company in favour of the Government. In case the Company does not fulfil the export obligation, it shall be liable to pay, on demand, an amount equal to such duties saved including interest and liquidated damages. As the Company expects to meet its commitment to earn the requisite revenue in foreign exchange as per the norms prescribed by the STP authorities and is using such capital goods for earning export revenue, the contingent liabilities on account of this have not been quantified.		

#### 29. Derivative Instruments & Unhedged Foreign Currency Exposure

##### Particulars of Unhedged Foreign Currency as on Balance Sheet Date

Particulars	Amount
Foreign Debtors	<b>₹54.69 Mn. (US\$ @ Closing rate of 1 US\$ = ₹80.87)</b> [2022: ₹50.94 Mn. (US\$ @ Closing rate of 1 US\$ = ₹73.55)] <b>₹5.46 Mn. (SGD @ Closing rate of 1 SGD = ₹60.71)</b> [2022: ₹7.39 Mn. (SGD @ Closing rate of 1 SGD = ₹54.57)]
Foreign Creditors	<b>Nil</b> [2022: Nil]

#### 30. Supplementary Statutory Information (to the extent applicable)

	(In ₹ Million)	
	2023	2022
(a) <b>Earnings in Foreign Currency (Accrual basis)</b> Software Development Services/Reimbursement of Expenses	<b>251.97</b>	194.38
(b) <b>Expenditure in Foreign Currency (Accrual basis)</b> Representative Office Expenses (including Salaries etc.)	<b>3.60</b>	6.31
Others	<b>1.78</b>	1.84
(c) <b>Value of Imports Calculated on CIF basis</b>	<b>Nil</b>	Nil

31. During the financial year ended March 31, 2023, the Subsidiary sold its Property, Plant and Equipment comprising of land & building, furniture & fixtures, and such other assets (Refer Note 12a), pertaining to its infrastructure services segment. This transaction has no impact on the Group's ongoing software development services segment.

32. During the year ended March 31, 2023, on account of interim dividend for the financial year 2022-23, the Group has incurred a net cash outflow of ₹395.03 Mn.

## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Significant Accounting Policies and Notes to Accounts

#### 33. Ratios

Sl No.	Particulars	Numerator	Denominator	As at March 31		Variance (in %)
				2023	2022	
1	Current Ratio	Current assets	Current liabilities	<b>2.63</b>	1.88	39.89 <sup>a</sup>
2	Debt-Equity Ratio	Total debt	Shareholder's equity	-	0.41	100.00 <sup>b</sup>
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	<b>4.36</b>	1.87	133.16 <sup>c</sup>
4	Return on Equity Ratio	Net profits after taxes	Average shareholder's equity	<b>1.46</b>	0.09	1,522.22 <sup>d</sup>
5	Inventory turnover ratio			NA	NA	NA
6	Trade Receivables turnover ratio	Revenue	Average trade receivable	<b>5.35</b>	4.49	19.15
7	Trade payables turnover ratio	Purchases of services & other expenses	Average trade payables	<b>10.74</b>	4.84	121.90 <sup>e</sup>
8	Net capital turnover ratio	Sales	Working Capital	<b>4.93</b>	4.09	20.54
9	Net profit ratio	Net Profit	Sales	<b>0.48</b>	0.08	500.00 <sup>d</sup>
10	Return on Capital employed	Earning before interest and taxes	Capital employed	<b>1.93</b>	0.13	1,384.62 <sup>f</sup>
11	Return on investment	Income generated from investments	Time weighted average investments	-	-	-

Notes:

- a Improvement in current ratio on account of monetisation of non-current assets
- b Repayment of Debt together with increased group profitability
- c Increase in the Earnings available for debt services
- d Revenue growth and improved profitability
- e Improvement in payment of current liabilities
- f Improved profitability and nil debt

34. The Covid19 pandemic caused unprecedented global slowdown in the previous years, creating an uncertain future for our existing and prospective customers with difficult supply chain logistics and global inflationary pressures. As at the Balance Sheet date, the impact of the pandemic has been taken into account, therefore no adjustment to the financial statements is required.

35. Previous year's figures have been regrouped where necessary to conform to the current year's classification.

#### As per our report of even date

For G V Sunder & Company  
Chartered Accountants  
FRN: 007248S

For and on behalf of the Board of Directors of  
Celstream Technologies Private Limited

Shivaram Bhat  
Partner  
Membership No.: 242666

Naresh Victor  
Executive Director  
DIN:00039962

Satyanand Nadkarni  
Director  
DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023

CELSTREAM TECHNOLOGIES PRIVATE LIMITED

Consolidated Cash Flow Statement for the Year ended March 31, 2023

In ₹ Million

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
Profit Before Tax	514.18	37.69
Adjustments for:		
Depreciation and Amortization	9.69	12.95
Interest Income	(4.32)	(1.11)
Interest Expense	8.71	12.21
Profit on sale of fixed asset	(487.78)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>40.48</b>	<b>61.74</b>
Movements in Working Capital:		
(Increase)/Decrease in Trade Receivables	(8.49)	6.96
(Increase)/Decrease in Other Current Assets	7.25	(12.20)
(Increase)/Decrease in Loans and Advances	(10.23)	1.95
Increase/(Decrease) in Current Liabilities and Provisions	13.57	0.48
<b>Cash Generated from Operations</b>	<b>42.58</b>	<b>58.93</b>
Direct Taxes (Payments)/Refunds (Net)	(131.54)	(1.85)
<b>Net Cash from/(used in) Operating Activities</b>	<b>(88.96)</b>	<b>57.08</b>
<b>B. Cash Flows from Investing Activities</b>		
Proceeds from sale of Property, Plant and Equipment (Net)	713.22	(1.25)
Investment in Equity shares	(7.05)	-
Fixed Deposits	38.02	(25.02)
Interest Received	4.32	1.11
<b>Net Cash from/(used in) Investing Activities</b>	<b>748.51</b>	<b>(25.16)</b>
<b>C. Cash Flows from Financing Activities</b>		
Repayment of Term Loan	(111.93)	(21.43)
Payment of Dividend	(395.03)	-
Interest Expense	(8.71)	(12.21)
<b>Net Cash used in Financing Activities</b>	<b>(515.67)</b>	<b>(33.64)</b>
<b>Net Increase in Cash and Cash Equivalents (A + B + C)</b>	<b>143.88</b>	<b>(1.72)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>21.17</b>	<b>22.89</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>165.05</b>	<b>21.17</b>
<b>Components of Cash and Cash Equivalents:</b>		
Balances with Scheduled Banks		
- In Current Account	32.01	10.99
- In Deposit Account	103.59	49.29
- In Unclaimed Dividend Account	30.70	0.16
Cash on Hand	0.02	0.02
	<b>166.32</b>	<b>60.46</b>
Less: Fixed Deposits with maturity greater than 3 months	(1.27)	(39.29)
<b>Net Cash and Cash Equivalents</b>	<b>165.05</b>	<b>21.17</b>

As per our report of even date

For G V Sunder & Company  
Chartered Accountants  
FRN: 007248S

For and on behalf of the Board of Directors of  
Celstream Technologies Private Limited

Shivaram Bhat  
Partner  
Membership No. 019190

Naresh Victor                      Satyanand Nadkarni  
Executive Director              Director  
DIN:00039962                      DIN:08351399

Place: Bengaluru  
Date: August 23, 2023

Place: Bengaluru  
Date: August 23, 2023



## CELSTREAM TECHNOLOGIES PRIVATE LIMITED

### Employees Stock Option Plan 2023

#### 1. Name, Objectives and Term of the ESOP 2023

- 1.1. **Name:** This Plan shall be called the “Employees Stock Option Plan 2023 (“ESOP 2023”, “ESOP”).”
- 1.2. **Objectives:** Celstream Technologies Private Limited (“Company”) proposes to issue options to its Employees with an objective to retain and reward talented, loyal, and experienced Employees. The ESOP 2023 envisages extending an option to the selected Employees from among those who have completed continuous service of at least five (5) years, to acquire shares of the Company, at a pre-determined price, in recognition of their loyalty and contribution to the overall growth of the Company, making them owners of the Company by virtue of such shareholding and as an incentive for higher performance levels.
- 1.3. **Term:** The ESOP 2023 is established with effect from date of passing the Ordinary Resolution by the Members of the Company in the Annual General Meeting held on September 20, 2023 and shall continue to be in force until (i) its termination by the Board; or (ii) the date on which all of the Options available for issuance under the ESOP 2023 have been issued and exercised.

#### 2. Definitions and Interpretation

##### 2.1. Definitions

- i. “**Applicable Law**” means every law relating to equity-based compensation plan, including, without limitation to, the Companies Act, 2013 and includes any statutory modifications or re-enactments thereof and as amended and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction.
- ii. “**Board**” means the Board of Directors of the Company.
- iii. “**Companies Act**” means the Companies Act, 2013 along with the rules thereto and includes any statutory modifications or re-enactments thereof.
- iv. “**Company**” means Celstream Technologies Private Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at 29/A, 2<sup>nd</sup> Cross, Electronic City, Phase I, Bengaluru - 560100.”
- v. “**ESOP 2023**” or “**ESOP**” means this Employees Stock Option Plan 2023 document under which the Company is authorized to grant Stock Options to the Employees.
- vi. “**Eligibility Criteria**” means the criteria as may be determined from time to time by the Board, for granting the Stock Options to the Employees.
- vii. “**Employee**” or “**Employees**” means (i) a permanent employee of the Company whether working in India or outside of India; (ii) a Director of the Company, whether whole time director or not; (iii) a permanent employee of the Subsidiary Company whether working in India or outside of India; and (iii) a Director of the Subsidiary Company, whether whole time director or not, but excludes:
  - a. an employee who is a Promoter or belongs to the Promoter Group;
  - b. a Director who either by himself or through his relatives or through any-body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;
  - c. an Independent Director within the meaning of the Companies Act, 2013.Explanation: In this ESOP, the expression “Subsidiary” or “Subsidiary Company” shall have the meaning assigned to it in the Companies Act, 2013.
- viii. “**ESOP Trust**” means Celstream Employees Stock Option Plan Trust, a Trust established by the Company for the purpose of administration, management, and implementation of the ESOP and/or holding of shares forming part of ESOP.

- ix. **“Employee Stock Option” or “Options”** means a right but not an obligation granted to an Employee pursuant to the ESOP to acquire the Shares in the Company.
- x. **“Optionee”** means an individual who holds the Options.
- xi. **“Exercise”** means making an application by the Optionee to the Company or to the Trust designated by the Company for this purpose, for issue of Shares against the Options vested in him/her in pursuance of the ESOP.
- xii. **“Exercise Period”** means such time period after Vesting, within which period the Optionee or any person acquiring rights from the Optionee (in accordance with the ESOP) should Exercise the Options vested in him in pursuance to this ESOP 2023.
- xiii. **“Exercise Price”** means the price per Share payable by the Optionee for Exercise of the Options in respect of the Options Vested in the Optionee.
- xiv. **“Grant”** means issue of Options to Employees under the ESOP.
- xv. **“Option Grantee” or “Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of this ESOP 2023.
- xvi. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Employee was capable of performing immediately before occurrence of such disability, as determined by the Board based on a certificate of a medical expert identified by the Board.
- xvii. **“Shares”** means equity shares of nominal value of Rs.5/- (Rupees Five) each, in the share capital of the Company.
- xviii. **“Promoter”** shall mean (a) the person who is instrumental to the business of the company, and (b) the person who is in over-all control of the Company, and (c) the person named as promoter in the offer documents of the Company.
- xix. **“Promoter Group”** means (a) an immediate relative of the promoter (i.e., spouse, parent, brother, sister, son or daughter), and (b) persons whose shareholding is aggregated for the purpose of disclosing in the offer documents as “shareholding of the promoter group”.
- xx. **“Relevant Date”** means:
- in the case of Grant, the date of the meeting of the Board on which the Grant is made; or
  - in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Employee.
- xxi. **“Retirement”** means retirement as per the Company Policies/Terms of Employment.
- xxii. **“Unvested Options”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Options.
- xxiii. **“Vest” or “Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of this ESOP 2023.
- xxiv. **“Vesting Condition”** means the conditions subject to which the Options granted would vest in an Option Grantee.
- xxv. **“Vesting Period”** means the period during which the vesting of the Options granted to the Option Grantees in pursuance of this ESOP 2023 takes place.
- xxvi. **“Vested Options”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the rights.

2.2. **Interpretation:** In this ESOP 2023, unless the contrary intention appears:

- the clause headings are for ease of reference only and shall not be relevant to interpretation;
- a reference to a clause number is a reference to its sub-clauses;
- words in singular number include the plural and vice versa;
- words importing a gender include any other gender; and
- a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

### 3. Authority and Ceiling

- 3.1. The Shareholders of the Company, vide their approval through General Meeting, have empowered the Board to issue to the Employees, under the ESOP 2023 and upon Exercise of the Options by the Option Grantees, **upto 2,50,000 (Two Lakh Fifty Thousand) shares**; or such higher number of shares as the Board may decide in its absolute discretion, by way of transfer from the available pool of shares held by ESOP Trust (which are fully paid-up equity shares of face value of Rs. 5/- [Rupees Five] each), at the Exercise Price of **Rs. 5/- (Rupees Five)** per share, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of this Plan, Companies Act and in due compliance with other Applicable Laws and regulations.
- 3.2. The Shareholders vide their approval through General Meeting accorded their consent to the implementation of the ESOP 2023 through the Granting of option to the Employees as prescribed under Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 (“Companies Rules”) with a view to deal in such equity shares in line with objectives of ESOP 2023 or for any other purpose(s) as permitted under the provisions of applicable laws and regulations.
- 3.3. The Board, is empowered to formulate detailed terms and conditions of the ESOP Scheme, administer and supervise the same.
- 3.4. The Board shall meet as required for the purpose of administering the ESOP Scheme.
- 3.5. If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all applicable laws. The Board will have powers to re-grant such Options.
- 3.6. Where Shares are issued consequent to an Exercise of an Option under the ESOP 2023, the maximum number of Shares that can be issued under ESOP 2023 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.

### 4. Administration

- 4.1. This ESOP 2023 shall be administered by the Board through Celstream Employees Stock Option Plan Trust (“ESOP Trust”) under the powers delegated to the ESOP Trust in this regard. All the functions relating to administration and superintendence of this ESOP 2023 shall stand vested with the Board. All questions of interpretation of this ESOP 2023 shall be determined by the Board and such determination shall be final and binding upon all persons having an interest in this ESOP 2023.
- 4.2. The Board shall, in accordance with this ESOP 2023 and Applicable Laws, determine the following:
  - a. The quantum of Employee Stock Options to be granted under this ESOP 2023 per Employee, subject to the ceiling as specified in Para 3.1;
  - b. The Eligibility Criteria;
  - c. the time when the Options are to be granted;
  - d. the number of Options to be granted to each Option Grantee;
  - e. the terms and conditions subject to which the Options granted would vest to the Option Grantee;
  - f. the date of vesting of the Options granted;
  - g. obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the ESOP Scheme;
  - h. The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split/consolidation, rights issues, bonus issues and others;
  - i. The procedure and terms for the Grant, Vest and Exercise of Options in case of Option Grantees who are on a long leave;
  - j. Approve forms, writings and/or agreements for use in pursuance of this ESOP 2023

- k. Frame suitable policies and procedures to ensure that there is no violation of the securities laws, as amended from time to time including any statutory modification or re-enactment of these regulations by the Company or any of its Employees, as applicable.

## 5. Eligibility

- 5.1. Only Employees as defined in this ESOP 2023 are eligible for being granted Employee Stock Options under ESOP 2023. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Board at its sole discretion.
- 5.2. The Board at its sole discretion determine the Options to be granted to each Employee.

## 6. Vesting Schedule/Conditions

- 6.1. The Options Granted under ESOP shall Vest with the Optionee in accordance with the following schedule:

Vesting Period	Vesting Percent
First Anniversary of the Offer Date	25%
120 Days from the First Anniversary Date	25%
240 Days from the First Anniversary Date	25%
Second Anniversary of the Offer Date	25%

Vesting of Options would be subject to continued employment with the Company on the date of vesting. However, the Board would have the authority to modify the Vesting Period for some or all of the Employees. In case the Employee does not Exercise the Options within the Exercise Period, the Option will lapse and no rights will accrue after that date.

- 6.2 Vesting of Options in case of Employees on long leave:** The period of approved leave such as earned leave, casual leave and sick leave shall be considered in determining the Vesting Period. The unapproved absence from work for whatsoever reason, if any, shall be excluded in determining the Vesting Period. However, Board shall have the authority to make exception to this stipulation in deserving cases at its sole discretion.

## 7. Exercise

- 7.1. Upon expiry of Vesting Period the Employee shall have the right but not the obligation to Exercise the Options granted to him within the Exercise Period. The Options will be exercised when the Company or ESOP Trust receives:
- Written or electronic notice to Exercise from the Employee/person entitled to Exercise the Option; and
  - Full Exercise Price for the Shares with respect to which the Option is exercised has been received by the ESOP Trust.
- 7.2. **Exercise Price:** The Exercise Price shall be equal to the face value of shares i.e., Rs.5/- (Rupees Five) per equity. The payment of the Exercise Price under ESOP 2023 shall be made by cheque, demand draft or by electronic means in favour of **CELSTREAM EMPLOYEES STOCK OPTION PLAN TRUST**.
- 7.3. **Exercise Period and provisions relating to Exercise of Options:** The Options granted may be Exercised by the Option Grantee at any time during the period of two (2) years from the conclusion of the Vesting Period and within a period of three months from the date of cessation of employment. The Shares issued upon Exercise of Options shall not be transferred to any other person for a period of Five years from the date of allotment except with the prior approval of the Board of Directors.
- 7.4. **Settlement of Exercised Options:** The Options Exercised within the Exercise Period shall be settled by way of equity shares. Upon Exercise of Option the ESOP Trust will promptly transfer Shares to the Employee in accordance with the terms and conditions under which the Option was granted to him. The

Shares that will be issued/transferred upon Exercise of the Options shall rank pari-passu with all the other equity shares of the Company.

- 7.5. **Lapse of Options:** The Options not Exercised within the Exercise Period prescribed above shall lapse and shall stand cancelled. The Option Grantee shall have no right over such lapsed or cancelled Options. The Board shall however have the right to make exceptions in deserving cases.
- 7.6. **Change in Control:** In the event of a change in Control, the Board may, at its sole discretion, adopt any method of settlement appropriate in its view for the Vested and Unvested Options, including but not limited to, immediate vesting and settlement of all grants by the Option Grantees, assumption by the entity acquiring the Company of all responsibility under this ESOP 2023 in a manner that is not detrimental for the Option Grantees; or cancellation of Unvested Options on condition that the acquiring company shall grant new benefits to the Option Grantees on terms no less favourable than the terms and conditions existing before the cancellation. Board's determination shall be final, binding, and conclusive. The Board shall interpret this Clause in a manner it believes in its sole discretion to be consistent with the intent to place Option Grantees in substantially the same (or better) economic position as they would have had in the absence of such Change in Control.

## 8. Other Terms and Conditions

- 8.1. Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.
- 8.2. The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 8.3. If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise price or both may be made in accordance with Clause 4.2(h) of ESOP 2023 at the sole discretion of the Board.
- 8.4. The Options shall not be transferable to any person except in the event of death of the Option Grantee or inability to Exercise due to Permanent Incapacity, in which case clause 7 would apply.

## 9. Taxation

- 9.1. The liability of paying taxes if any, on account of and as a result of the Options granted pursuant to this ESOP 2023 and the Shares issued pursuant to Exercise of Options shall be entirely on the Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 and the rules framed thereunder.
- 9.2. The Company shall have the right to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Options or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee.

## 10. Authority to vary terms

The Board may, if it deems necessary, vary the terms of ESOP 2023, subject to compliance with the Applicable Laws and Regulations.

## 11. Miscellaneous

- 11.1 **Government Regulations:** This ESOP 2023 shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from governmental authorities, if any, and to the extent required.

- 11.2 **Inability to obtain approval:** The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to grant the Options or issue Shares.
- 11.3 **General Risks:** Participation in this ESOP 2023 shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information/clarifications essential for appropriate decision.
- 11.4 The grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any Employee and the Company give such Employee any right or entitlement to have an Option granted to him in respect of any number of shares or any expectation that an Option might be granted to him whether subject to any condition or at all.
- 11.5 Neither the existence of this ESOP 2023 nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this ESOP 2023 or any future plan (s) by being granted an Option on any other occasion.
- 11.6 The rights granted to an Option Grantee upon the grant of an Options shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever.
- 11.7 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.
- 11.8 Nothing contained in the ESOP 2023 shall be construed to prevent the Company directly or through any trust settled by any company, from implementing any other new scheme for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the ESOP 2023 or any Grant made under the ESOP 2023. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

## 12 Notices

- 12.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2023 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
- Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
  - Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
  - Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 12.2 Any communication to be given by an Option Grantee in respect of ESOP 2023 shall be sent to either of the following addresses in writing, or via email to [secretarial@celstream.com](mailto:secretarial@celstream.com):

The Trustees Celstream Employees Stock Option Plan Trust 29/A, 2 <sup>nd</sup> Cross, Electronic City, Phase I Bengaluru – 560 100	The Board of Directors Celstream Technologies Private Limited 29/A, 2 <sup>nd</sup> Cross, Electronic City, Phase I Bengaluru – 560 100
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### **13 Governing Law and Jurisdiction**

- 13.1 The terms and conditions of the ESOP 2023 shall be governed by and construed in accordance with the laws of India.
- 13.2 The Courts in Bengaluru, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2023.

### **14 Income Tax Rules**

The Income Tax Laws and Rules in force will be applicable.

### **15 Severability**

In the event any one or more of the provisions contained in this ESOP 2023 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2023, and this ESOP 2023 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and this ESOP 2023 shall be carried out as nearly as possible according to its original terms and intent.

### **16 Accounting Policy**

The Company shall follow the applicable Accounting Standards prescribed under Companies Act 2013, including the disclosure requirements prescribed therein and any other applicable Provisions or Rules under the Companies Act 2013.

### **17 Confidentiality**

Employees must keep the details of this ESOP 2023 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/or associate of the Company or that of its Subsidiaries or any third party. In case Option Grantee is found to be in breach of this confidentiality clause, the Board has undisputed right to terminate the Options granted and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Board regarding breach of this confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Board will have the authority to deal with such cases as it may deem fit.

On acceptance of Grant, the Option Grantee agrees that the Company may be required to disclose information of the Option Grantee during the process of implementation of this ESOP 2023 or while availing services relating to consulting, advisory services or management services and/or any other such incidental services in relation to ESOP 2023. The Option Grantee hereby accords his consent that such confidential information regarding his Options entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need-to-know basis.

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