

B S R & Associates LLP

Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor,
Off Intermediate Ring Road,
Bangaluru-560 071 India

Telephone: +91 80 4682 3000

Fax: +91 80 4682 3000

INDEPENDENT AUDITORS' REPORT

To the Members of Mistral Solutions Private Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mistral Solutions Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.



Principal Office:

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Emphasis of matter

We draw attention to Note 32 of the accompanying consolidated financial statements with respect to a dispute between the Company, its shareholders and Axiscades Technologies Limited in relation to the implementation of the Share Purchase Agreement dated December 1, 2017. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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



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

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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.



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We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

Other Matters

- (a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 2,563.93 lakhs as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 2,787.50 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 92.52 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

One of these subsidiaries is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The financial statements of one subsidiary whose financial statements reflect total assets (before consolidation adjustments) of Rs. 9.70 lakhs as at 31 March 2021, total revenues (before consolidation adjustments) of Rs Nil and net cash flows (before consolidation adjustments) amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements is not material to the Group.

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



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Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant 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 Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 33 and 39 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 22 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2021



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- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024



Ashish Chadha

Partner

Membership Number: 500160

UDIN: 21500160AAAABE6355

Place: Bengaluru

Date: 27 May 2021

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Annexure A to the Independent Auditors' report on the consolidated financial statements of Mistral Solutions Private Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section
of our report of even date)**

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Mistral Solutions Private Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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



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Other Matters

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

for **B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W/W-100024



Ashish Chadha

Partner

Membership Number: 500160

UDIN:21500160AAAABE6355

Place: Bengaluru

Date: 27 May 2021

Mistral Solutions Private Limited
Consolidated balance sheet

Rs. in lakhs

As at	Note	31 March 2021	31 March 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	296.76	287.11
(b) Right of use assets	5	903.81	786.89
(c) Intangible assets	6	99.74	102.18
(d) Financial assets			
(i) Investments	7	697.40	373.84
(ii) Loans receivable	8	198.62	187.02
(e) Deferred tax asset, (net)	31	107.81	237.18
(f) Income tax assets, (net)	31	305.34	316.11
(g) Other non-current assets	9	45.70	-
Total non-current assets		2,655.18	2,290.33
(2) Current assets			
(a) Inventories	10	2,245.47	1,535.08
(b) Financial assets			
(i) Investments	11	3,625.44	2,874.00
(ii) Trade receivables	12	3,533.92	3,360.84
(iii) Cash and cash equivalents	13	919.07	610.41
(iv) Bank balances other than (iii) above	13	1,732.73	1,381.43
(v) Other financial assets	14	132.01	34.08
(c) Other current assets	15	1,978.12	2,674.48
Total current assets		14,166.76	12,470.32
Total assets		16,821.94	14,760.65
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	190.27	189.87
(b) Instrument entirely equity in nature	17	1.90	1.90
(c) Other equity	17	12,179.57	10,468.10
Equity attributable to equity holders of the parent		12,371.74	10,659.87
Non-controlling interests		-	-
Total equity		12,371.74	10,659.87
Liabilities			
(1) Non-current liabilities			
(a) Provisions	18	180.07	323.64
(b) Financial liabilities			
(i) Lease liabilities	34	270.29	107.83
Total non-current liabilities		450.36	431.47
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	34	256.41	339.93
(ii) Trade payables	19		
(a) total outstanding dues of micro enterprises and small enterprises		115.22	150.56
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		976.27	1,030.71
(iii) Other financial liabilities	20	503.73	523.59
(b) Other current liabilities	21	1,620.78	1,220.86
(c) Provisions	22	452.07	321.26
(d) Current tax liabilities, (net)	31	75.36	82.40
Total current liabilities		3,999.84	3,669.31
Total liabilities		4,450.20	4,100.78
Total equity and liabilities		16,821.94	14,760.65
Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024



Ashish Chadha

Partner

Membership Number: 500160

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


Anees Ahmed

Managing Director

DIN: 00225648


Anoop Agarwal

Chief Financial Officer


Mujahid Alam

Director and Chief Executive Officer

DIN: 02651595

Place: Bengaluru

Date: 27 May 2021

Place: Bengaluru

Date: 27 May 2021

Mistral Solutions Private Limited
Consolidated statement of profit and loss

Rs. in lakhs

For the year ended	Note	31 March 2021	31 March 2020
I. Revenue from operations	23	14,562.11	14,291.17
II. Other income	24	602.92	282.59
III. Total income (I+II)		15,165.03	14,573.76
IV. Expenses			
Cost of materials consumed	25	3,943.71	4,713.56
Purchase of stock-in-trade	26	1,250.69	1,678.08
Changes in inventories of finished goods, stock-in-trade and work-in- progress	27	465.05	(667.35)
Employee benefits expense	28	5,733.77	5,597.89
Finance costs	29	57.87	76.59
Depreciation and amortisation expense	4,5,6	508.24	495.36
Other expenses	30	928.67	1,047.37
Total expenses		12,888.00	12,941.50
V. Profit before tax (III-IV)		2,277.03	1,632.26
VI. Tax expense			
(i) Current tax	31	439.98	413.14
(ii) Deferred tax	31	127.06	(6.76)
		567.04	406.38
VII. Profit for the year (V-VI)		1,709.99	1,225.88
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurements of the net defined benefit liability / asset		19.59	(25.13)
Income tax relating to items not to be reclassified subsequently to statement of profit or loss		(4.93)	7.31
Items that will be reclassified subsequently to statement of profit or loss			
Foreign currency translation reserve		(17.26)	48.36
Other comprehensive income, net of tax		(2.60)	30.54
IX. Total comprehensive income for the year (VII+VIII)		1,707.39	1,256.42
Profit attributable to:			
Owners of the Company		1,709.99	1,225.88
Non controlling interest		-	-
Profit for the year		1,709.99	1,225.88
Other comprehensive income attributable to:			
Owners of the Company		-2.60	30.54
Non controlling interests		-	-
Other comprehensive income for the year		-2.60	30.54
Total comprehensive income attributable to:			
Owners of the Company		1,707.39	1,256.42
Non controlling interests		-	-
Total comprehensive income for the year		1,707.39	1,256.42
Earnings per share (nominal value of Rs 5 each)			
Attributable to equity holders of the Company			
Basic [in Rs]	36	44.56	31.96
Diluted [in Rs]	36	42.13	30.20
Weighted average number of equity shares used in computing earning per share			
-Basic		37,99,671	37,97,370
-Diluted		40,58,758	40,59,055

Significant accounting policies

3

See accompanying notes to consolidated financial statements
As per our report of even date attached

for BSR & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024



Ashish Chadha
Partner

Membership Number: 500160

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


Anees Ahmed
Managing Director
DIN: 00225648


Anoop Arora
Chief Financial Officer


Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595

Place: Bengaluru
Date: 27 May 2021

Place: Bengaluru
Date: 27 May 2021

Particulars	Other equity										Total equity attributable to equity holders of the Company
	Equity share capital	Preference share capital (Instrument entirely equity in nature)	Securities premium	Equity contribution by preference and equity share holders on relinquishment of rights	Reserves and surplus				Other comprehensive income		
					Retained earnings	Capital redemption reserve	General reserve	Share options outstanding account	Foreign currency translation reserve	Other items of OCI	
Balance as at 1 April 2019	189.87	1.90	881.72	941.65	7,144.93	45.73	55.30	185.96	21.67	(19.38)	9,449.35
Changes in equity for the year ended 31 March 2020											
Measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-	(17.82)	(17.82)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	48.36	-	48.36
Transition impact of IND AS 116	-	-	-	-	(45.90)	-	-	-	-	-	(45.90)
Profit for the year	-	-	-	-	1,225.88	-	-	-	-	-	1,225.88
Balance as at 31 March 2020	189.87	1.90	881.72	941.65	8,324.91	45.73	55.30	185.96	70.03	(37.20)	10,659.87

Particulars	Other equity										Total equity attributable to equity holders of the Company
	Equity share capital	Reserves and surplus					Other comprehensive income				
		Preference share capital (Instrument entirely equity in nature)	Securities premium	Equity contribution by preference and equity share holders on relinquishment of rights	Retained earnings	Capital redemption reserve	General reserve	Share options outstanding account	Foreign currency translation reserve	Other items of OCI	
Balance as at 1 April 2020	189.87	1.90	881.72	941.65	8,324.91	45.73	55.30	185.96	70.03	(37.20)	10,659.87
Changes in equity for the year ended 31 March 2021											
Share based payment (refer note 46)	-	-	-	-	-	-	-	4.08	-	-	4.08
Transfer from share options outstanding account	-	-	6.47	-	-	-	-	-	-	-	6.47
Increase in share capital on exercise of employee stock options	0.40	-	-	-	-	-	-	-	-	-	0.40
Measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-	14.66	14.66
Transfer to securities premium on issue of equity shares	-	-	-	-	-	-	-	(6.47)	-	-	(6.47)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	(17.26)	-	(17.26)
Profit for the year	-	-	-	-	1,709.99	-	-	-	-	-	1,709.99
Balance as at 31 March 2021	190.27	1.90	888.19	941.65	10,034.90	45.73	55.30	183.57	52.77	(22.54)	12,371.74

See accompanying notes to consolidated financial statements
as per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
Firm registration number: 116231W/W-100024

Anish Chadha
Partner
Membership Number: 500160

For and on behalf of the Board of Directors
Mistral Solutions Private Limited


Anees Ahmed
Managing Director
DIN: 00225648


Mujahid Alam
Director and Chief Executive Officer
DIN: 02651595


Anoop Agarwal
Chief Financial Officer
Place: Bengaluru
Date: 27 May 2021

Mistral Solutions Private Limited
Consolidated statement of cash flow

Rs. in lakhs

For the year ended	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	2,277.03	1,632.26
Adjustments for :		
Depreciation and amortisation expense	508.24	495.36
Share based payment expense	4.08	-
Net loss / (gain) on financial asset measured at fair value through statement of profit and loss	(431.34)	(77.46)
Loss/ (profit) on sale of property, plant and equipment	(0.21)	10.49
Rent concession received	(8.14)	-
Profit on lease modification	(0.59)	-
Provision no longer required, written back	(13.67)	(20.07)
Bad debts / provision for doubtful debts	2.74	1.21
Provision for foreseeable loss on contracts	-	0.55
Unrealised foreign exchange loss/ (gain)	4.44	0.01
Dividend income	(1.80)	(0.99)
Interest income	(125.66)	(146.36)
Interest expense	57.87	76.59
	2,272.99	1,971.59
Changes in		
Inventories	(722.27)	(679.39)
Trade receivables	(199.88)	57.80
Loans, other financial assets and other assets	597.47	(944.39)
Liabilities and provisions	337.23	104.31
	2,285.54	509.92
Cash generated from operating activities		
Income tax paid, net of refund	(441.18)	(474.44)
Net cash from operating activities	1,844.36	35.48
Cash flow from investing activities		
Acquisition of property, plant and equipment	(228.33)	(153.24)
Proceeds from sale of property, plant and equipment	1.33	5.59
Purchase of investments, net	(643.66)	(457.91)
Inter-corporate deposits repayment received	-	175.00
Redemption/(investment) in fixed deposits (net)	(351.30)	220.51
Interest received	108.67	145.30
Dividend received	(1.80)	(0.99)
Net cash used in investing activities	(1,115.09)	(65.74)
Cash flow from financing activities		
Interest paid	(6.95)	(3.28)
Repayment of lease liabilities	(404.05)	(402.86)
Net cash used in financing activities	(411.00)	(406.14)
Net change in cash and cash equivalents	318.27	(436.40)
Cash and cash equivalents at beginning of year	610.41	1,018.32
Effect of exchange rate changes	(9.61)	28.49
Cash and cash equivalents at end of year	919.07	610.41

Significant accounting policies (Refer Note 3)

See accompanying notes to consolidated financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024



Ashish Chadha

Partner

Membership Number: 500160

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

Anees Ahmed

Managing Director

DIN: 00225648

Anoop Agarwal

Chief Financial Officer

Mujahid Alam

Director and Chief Executive Officer

DIN: 02651595

Place : Bengaluru

Date: 27 May 2021

Place : Bengaluru

Date: 27 May 2021

1 Reporting Entity

Mistral Solutions Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Bangalore. The Company was incorporated on 20th May 1999 under the provisions of the Indian Companies Act. These consolidated financial statements comprise the company and its subsidiaries (referred to collectively as the 'Group'). The company is primarily engaged in rendering end-to-end services for product design and development in the embedded space. The company offers design and development services covering hardware and software, customizable product designs and IPs, system integration and other solutions that improve quality and accelerate time-to-market for a broad range of embedded systems.

2 Basis of preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Consolidated financial statements were authorised for issue by the Company's Board of Directors on 27 May 2021.

Details of the Group's accounting policies are included in Note 3

B. Functional and presentation currency

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

C. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Share based payments	Fair Value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements is included in the following notes:

- Note 34 - leases: whether an arrangement contains a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

- Note 31 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

- Note 42 - measurement of defined benefit obligations: key actuarial assumptions;

- Note 33 and 39 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 3 (b), (c), (d), (e) - useful life of property, plant and equipment, intangible assets, impairment and leases

- Note 7, 8, 11, 12 and 14 - impairment of financial assets

E. Measurement of fair values

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

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

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

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

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

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

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

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 46 - share-based payment; and

- Note 48 - financial instruments

Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)
3 Significant accounting policies

(a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial information of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii. Non - controlling interest (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iv. Subsidiaries considered in the consolidated financial information:

Name of the company	Country of incorporation	Ownership interest (in %)
		31 March 2021
Subsidiary companies:		
Mistral Solutions Inc. ('MSI')	USA	100
Aero Electronics Private Limited ('AEPL')	India	100
Mistral Technologies Private Limited ('MTPL')	India	100
Mistral Solutions Pte Ltd ('MSP')	Singapore	100

v. Principles of consolidation

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-Company transactions.

(b) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation on property, plant and equipment is provided as per the written down value (WDV) method over the useful lives of assets estimated by the Management except for vehicles. Depreciation for assets purchased/sold during the year is proportionately charged. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The range of estimated useful lives of items of property, plant and equipment are as follows:

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

Leasehold improvement are amortized over the period of lease term or useful life, whichever is less.

* For these class of assets, based on internal assessment, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of

Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)
Significant accounting policies (continued)
Property, plant and equipment (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

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

(c) Intangible Assets

Internally generated: Research and development

Expenditure on research activities is recognised in Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation:

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

The estimated useful lives are as follows:

Asset	Useful Life
Computer Software	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(d) Impairment

i. Financial Assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ii. Non - financial Assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(e) Leases

As a Lessee

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

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying assets is available for use. Right-of-use assets are measured at cost less accumulated depreciation. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial cost incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the lease term.



b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment which is expected to be paid over the tenure of the lease contract. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term lease contracts (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on a short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

(f) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. The method of determination of cost is as follows:

Raw materials/components and traded goods are valued at first in first out method

Finished goods / work in progress - Cost of materials including costs of conversion, where cost of material is determined under first in first out method. Cost of conversion is considered at actuals.

Goods in transit are valued at actual cost

The Group periodically assesses the inventory for obsolescence and slow moving stocks

(g) Financial instruments

i Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

iii Derecognition

Financial assets

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

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

Financial liabilities

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

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In

Significant accounting policies (continued)

Financial instruments (continued)

iv Offsetting

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

(h) Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(i) Revenue Recognition

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue Recognition. The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

Revenue from sale of products and system engineering and traded sales is recognised upon transfer of control of promised goods. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from sale of products, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

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

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

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

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

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

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

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Lease/sub-lease rental income is recognised when right to receive such income is established in accordance with the terms of the contract with the parties.

(j) Foreign operations

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

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group

(k) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which it relates. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

(l) Income Tax

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

i Current Tax

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

ii Deferred Tax

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets recognised or unrecognized are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the group will pay normal income tax during the specified period.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment, which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of profit and loss.

(n) Provision and contingent liabilities

i General

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

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

ii Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii Onerous contracts

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



(o) Employee benefits

i Defined contribution plans

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

Provident fund

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

ii Defined benefit plans

Gratuity

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

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

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

iii. Compensated leave

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

(p) Share-based payments

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

(q) Segment reporting

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

(r) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(s) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(t) Research and development

Expenditures on research activities undertaken with the prospect of gaining new technical knowledge and understanding are recognised in the statement of profit and loss when incurs

Development activities involve a plan or design for the production of new or substantially improved products and processes

(u) Recent accounting developments

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021. The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Note 4. Property Plant and Equipment and capital work in progress

Reconciliation of carrying amount

Rs. in lakhs

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	As at 1 April 2020	Exchange difference	Additions during the year	Disposals	As at 31 March 2021	As at 1 April 2020	Exchange difference	Depreciation for the year	Disposals	As at 31 March 2021	As at 31 March 2021
Own assets											
Plant and equipment	22.65	-	5.96	1.50	27.11	11.79	-	2.41	1.23	12.97	14.14
Furniture and fixtures	32.88	(0.04)	2.13	-	34.97	20.91	(0.04)	3.19	-	24.06	10.91
Vehicles	143.59	-	9.24	-	152.83	89.62	-	22.66	-	112.28	40.55
Office equipment	31.64	(0.13)	1.54	0.53	32.52	20.94	(0.12)	5.87	0.33	26.36	6.16
Computer system	286.30	(0.61)	92.92	1.76	376.85	172.02	(0.59)	64.68	1.10	235.01	141.84
Test equipment	263.01	-	29.43	-	292.44	207.01	-	21.51	-	228.52	63.92
Leasehold improvements	33.44	-	0.82	-	34.26	4.11	-	10.91	-	15.02	19.24
	813.51	(0.78)	142.04	3.79	950.98	526.40	(0.75)	131.23	2.66	654.22	296.76

Description	Gross carrying amount						Accumulated depreciation					Carrying amounts (net)
	As at 1 April 2019	Exchange difference	Additions during the year	Reclassification on to right of use assets	Disposals	As at 31 March 2020	As at 1 April 2019	Exchange difference	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020
Own assets												
Plant and equipment	21.38	-	2.30	-	1.03	22.65	10.42	-	2.07	0.70	11.79	10.86
Furniture and fixtures	32.11	-	0.77	-	-	32.88	16.95	-	3.96	-	20.91	11.97
Vehicles	170.00	-	-	-	26.41	143.59	69.31	-	30.97	10.66	89.62	53.97
Office equipment	25.78	0.34	5.52	-	-	31.64	11.51	0.32	9.11	-	20.94	10.70
Computer system	222.29	1.70	62.33	-	0.02	286.30	121.04	1.48	49.52	0.02	172.02	114.28
Test equipment	257.04	-	5.97	-	-	263.01	176.71	-	30.30	-	207.01	56.00
Leasehold improvements	8.85	-	24.59	-	-	33.44	3.17	-	0.94	-	4.11	29.33
Leasehold land	386.72	-	-	386.72	-	-	-	-	-	-	-	-
	1,124.17	2.04	101.48	386.72	27.46	813.51	409.11	1.80	126.87	11.38	526.40	287.11

Capital work-in-progress

Particulars	31 March 2021	31 March 2020
Carrying amount		
Opening carrying amount	-	11.89
Additions	0.82	41.78
Assets capitalised	0.82	53.67
Closing carrying amount	-	-



Note 5. Right of use assets*

Rs. in lakhs

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	As at 1 April 2020	Exchange difference	Additions during the year	Modifications / terminations	As at 31 March 2021	As at 1 April 2020	Exchange difference	Depreciation for the year	Modifications/ terminations	As at 31 March 2021	As at 31 March 2021
Own assets											
Buildings	563.22	(0.79)	474.40	284.24	752.59	284.13	(0.75)	276.93	259.33	300.98	451.61
Vehicles	173.45	-	-	-	173.45	52.37	-	55.60	-	107.97	65.48
Leasehold Land	386.72	-	-	-	386.72	-	-	-	-	-	386.72
	1,123.39	(0.79)	474.40	284.24	1,312.76	336.50	(0.75)	332.53	259.33	408.95	903.81

Description	Gross carrying amount					Accumulated depreciation			Carrying amounts (net)
	As at 1 April 2019	Reclassification on from Property Plant and Equipment	Transition impact of IndAS 116	Additions	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	As at 31 March 2020	As at 31 March 2020
Own assets									
Buildings	-	-	519.34	43.88	563.22	-	284.13	284.13	279.09
Vehicles	-	-	134.71	38.74	173.45	-	52.37	52.37	121.08
Leasehold Land	-	386.72	-	-	386.72	-	-	-	386.72
	-	386.72	654.05	82.62	1,123.39	-	336.50	336.50	786.89

* Also refer note 34



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Note 6. Other intangible assets

Reconciliation of carrying amount

Rs. in lakhs

Description	Gross carrying amount					Accumulated amortisation					Carrying amounts (net)
	As at 1 April 2020	Exchange difference	Additions during the year	Disposals	As at 31 March 2021	As at 1 April 2020	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2021	As at 31 March 2021
Own assets											
Computer software	223.16	-	42.04	-	265.20	120.98	-	44.48	-	165.46	99.74
	223.16	-	42.04	-	265.20	120.98	-	44.48	-	165.46	99.74

Description	Gross carrying amount					Accumulated amortisation					Carrying amounts (net)
	As at 1 April 2019	Exchange difference	Additions during the year	Disposals	As at 31 March 2020	As at 1 April 2019	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2020	As at 31 March 2020
Own assets											
Computer software	159.50	-	63.66	-	223.16	88.99	-	31.99	-	120.98	102.18
	159.50	-	63.66	-	223.16	88.99	-	31.99	-	120.98	102.18



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Rs. in lakhs

As at	31 March 2021	31 March 2020
Note 7 - Non-current investments		
At fair value through profit or loss		
<u>Unquoted</u>		
Investment in real estate fund	231.61	247.71
Investment in mutual funds	248.33	-
At fair value through profit or loss		
<u>Quoted</u>		
Investment in other funds	217.46	126.13
	697.40	373.84
Aggregate amount of unquoted investments	479.94	247.71
Aggregate amount of quoted investments	217.46	126.13
Aggregate market value of quoted investments	217.46	126.13
Note 8 - Loans receivable		
Non-current		
<i>Unsecured, considered good</i>		
Security deposit	198.62	187.02
	198.62	187.02
Note 9 - Other non-current assets		
<i>Unsecured, considered good</i>		
Capital advances	44.25	-
Prepayments	1.45	-
	45.70	-
Note 10 - Inventories*		
Raw material /components [including goods-in-transit of Rs.7.86 lakhs (31 March 2020: Rs.10.35 lakhs)]	1,897.54	722.10
Work-in-progress	100.40	81.39
Finished goods [including goods-in-transit of Rs.Nil (31 March 2020: Rs.5.15 lakhs)]	195.20	443.24
Traded goods [including goods-in-transit of Rs.10.97 lakhs (31 March 2020: Rs 0.96 lakhs)]	52.33	288.35
	2,245.47	1,535.08
*Refer note 3(f) for method of valuation of inventories		
Note 11 - Investments		
Current		
At fair value through profit or loss		
<u>Unquoted</u>		
Investment in mutual funds	941.21	-
At fair value through profit or loss		
<u>Quoted</u>		
Investment in mutual funds	2,606.47	2,209.75
Investment in other funds	-	561.29
Investment in equity shares	77.76	102.96
	3,625.44	2,874.00
Aggregate amount of unquoted investments	941.21	-
Aggregate amount of quoted investments	2,684.23	2,874.00
Aggregate market value of quoted investments	2,684.23	2,874.00



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Rs. in lakhs

As at	31 March 2021	31 March 2020
Note 12 - Trade receivables		
Current		
Unsecured	3,540.52	3,371.95
	3,540.52	3,371.95
Less: Provision for impairment	(6.60)	(11.11)
	3,533.92	3,360.84

The Group's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 48.

Note 13- Cash and bank balances

Cash and cash equivalents:

- Cash on hand	0.36	0.56
- Current accounts	846.86	592.12
- Cash credit account	71.85	17.73
	919.07	610.41

Other bank balance:

- Deposit accounts*	1,732.73	1,381.43
	1,732.73	1,381.43

*includes Rs. 1,732.73 lakhs (31 March 2020: Rs 1,381.43 lakhs) on lien against guarantees, cash credit, packing credit etc.

Note 14 - Other financial assets

Current

Unsecured, considered good

Earnest money deposit	4.90	11.54
Interest accrued but not due	29.05	12.06
Unbilled revenue	83.09	5.28
Others	14.97	5.20
	132.01	34.08

Note 15 - Other current assets

Unsecured, considered good

Advances other than capital advances

-Advance for supply of goods	262.56	251.64
-Advance to employees	24.55	29.16

Others

-Balance with government authorities	268.29	386.79
-Export incentive receivable	84.31	209.22
-Prepayments	103.76	112.48
Deferred rent	0.89	0.26
Contract assets	1,233.76	1,684.93
	1,978.12	2,674.48



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Rs. in lakhs

As at	31 March 2021	31 March 2020
Note 16 - Share capital		
Authorised		
6,000,000 (31 March 2020: 6,000,000) equity shares of Rs 5/- each.	300.00	300.00
1,000,000 (31 March 2020: 1,000,000) fully convertible cumulative participative preference shares of Rs 5/- each.	50.00	50.00
Total	350.00	350.00
Issued, subscribed and fully paid up		
3,805,370 (31 March 2020: 3,797,370) equity shares of Rs 5/- each.	190.27	189.87
Total (A)	190.27	189.87
38,000 (31 March 2020: 38,000) Series B mandatorily convertible cumulative participative preference shares of Rs. 5/- each.	1.90	1.90
Total (B)*	1.90	1.90
Grand Total (A + B)	192.17	191.77

* Included within other equity (refer note 17)

Rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

(i) Equity shares of Rs.5/- each

- The Company has only one class of shares referred to as equity shares having a par value of Rs 5/- each.
- Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Series B preference shares of Rs. 5/- each.

- The Company issued 515,172 Fully Convertible Cumulative Participative Preference Shares (FCCPS) of Rs 5 each at a premium of Rs 225 per share to two venture capital investors as per the Shareholders Agreement dated 7 January 2008 ('the Agreement'). The Company has 38,000 (31 March 2020: 38,000) FCCPS outstanding as at the end of the year.
- FCCPS carry a pre-determined cumulative rate of dividend of 0.01% per annum of the nominal value of the FCCPS. In addition, FCCPS are entitled to participate in the distribution of the profits of the Company to the other shareholders of the Company as per the Agreement.
- Conversion: As per the Agreement, FCCPS shall automatically be converted into equity shares upon the first occurrence of: (a) the majority investors consenting to such conversion; (b) the closing of an underwritten public offering of the Company's equity shares at a minimum valuation specified in the Agreement; or (c) on 30 June 2027.

Liquidation preference:

To the extent the FCCPS are not converted into equity shares and in the event of any liquidation event (defined in the Agreement), the holders of the FCCPS shall have a preference over the other shareholders of the Company (including the founders and the other shareholders and any remaining equity shareholders, including the investors' equity shares) for return of capital as set out in the Agreement. No other series of shares shall be entitled to a liquidation preference.

Notes:

- (a) Shares in respect of equity in the Company held by its holding Company.

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Holding Company				
Axiscades Technologies Limited	16,32,718	81.64	16,32,718	81.64
	16,32,718	81.64	16,32,718	81.64

- (b) Reconciliation of the number of equity and preference shares outstanding at the beginning and at the end of the reporting year:

Equity shares of Rs.5/- each.	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	37,97,370	189.87	37,97,370	189.87
Add: Shares issued on exercise of Employee Stock Option Plan	8,000	0.40	-	-
Closing balance at the end of the reporting year	38,05,370	190.27	37,97,370	189.87

Series B preference shares of Rs.5/- each.	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	38,000	1.90	38,000	1.90
Closing balance at the end of the reporting year	38,000	1.90	38,000	1.90



(c) Details of shareholders' holding more than 5% of the total number of equity shares and preference shares.

Name of the shareholders	31 March 2021		31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs.5/- each.				
Axiscades Technologies Limited	16,32,718	42.91%	16,32,718	43.00%
Anees Ahmed	2,94,825	7.75%	2,90,945	7.66%
Explosoft Tech Solutions Private Limited	16,79,359	44.13%	16,79,359	44.22%
Total number of shares holding more than 5%	36,06,902	94.78%	36,03,022	94.88%
Add: Others (individually holding less than 5%)	1,98,468	5.22%	1,94,348	5.12%
Total equity shares	38,05,370	100%	37,97,370	100%
Series B preference shares of Rs.5/- each.				
Rajeev Ramachandra	13,400	35%	13,400	35%
Anees Ahmed	24,600	65%	24,600	65%
Number of preference shares classified as other equity	38,000	100%	38,000	100%

(d) Securities convertible into equity in the descending order

Particulars	Manner of conversion	Convertible into	Earliest date of conversion
Series B preference shares of Rs 5 each	Mandatory	Equity	Refer note below

Note: As per the Agreement, FCCPS shall automatically be converted into equity shares upon the first occurrence of:

- (a) the majority investors consenting to such conversion;
- (b) the closing of an underwritten public offering of the Company's equity shares at a minimum valuation specified in the Agreement; or
- (c) on 30 June 2027.

For employee stock options convertible into equity refer note 46.

(e) Other details of equity shares for a period of five years immediately preceeding 31 March 2021.

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Aggregate number of shares bought back					
Fully paid up equity shares	-	-	-	-	3,83,346
Fully paid Series B preference shares	-	-	-	-	4,77,172

The Company has not allotted any fully paid up equity shares by of bonus shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of buy back :

Pursuant to the shareholders resolution passed at the Extra Ordinary General meeting held on 13 January 2017, the Company completed buyback of 383,346 equity shares of Rs 5 each fully paid up from Jafco Asia Technology Investments III (Mauritius) Ltd and total of 477,172 Series B mandatorily convertible cumulative participative preference shares of Rs. 5 each fully paid up, from Jafco Asia Technology Investments III (Mauritius) Ltd and Nexus India Ventures I Investments. This had resulted in a total cash outflow of Rs 1,743.86. In line with the requirement of the Companies Act 2013, an amount of Rs 1,700.83 had been utilized from the securities premium account. Further, a capital redemption reserves of Rs 43.03 (representing the nominal value of the shares bought back) had been created as an apportionment from securities premium account.



Rs. in lakhs

Particulars	Preference share capital (Instrument entirely equity in nature)	Capital redemption reserve	Securities premium	Foreign currency translation reserve	Share options outstanding account	General reserve	Retained earnings	Equity contribution by preference and equity share holders on relinquishment of rights	Other items of OCI	Total
Balance as at 01 April 2019	1.90	45.73	881.72	21.67	185.96	55.30	7,144.93	941.65	(19.38)	9,259.48
Additions:										
Foreign currency translation reserve	-	-	-	48.36	-	-	-	-	-	48.36
Measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	(17.82)	(17.82)
Transition Impact of IND AS 116	-	-	-	-	-	-	(45.90)	-	-	(45.90)
Profit for the year	-	-	-	-	-	-	1,225.88	-	-	1,225.88
Balance as at 31 March 2020	1.90	45.73	881.72	70.03	185.96	55.30	8,324.91	941.65	(37.20)	10,470.00

Particulars	Preference share capital (Instrument entirely equity in nature)	Capital redemption reserve	Securities premium	Foreign currency translation reserve	Share options outstanding account	General reserve	Retained earnings	Equity contribution by preference and equity share holders on relinquishment of rights	Other items of OCI	Total
Balance as at 01 April 2020	1.90	45.73	881.72	70.03	185.96	55.30	8,324.91	941.65	(37.20)	10,470.00
Additions:										
Share based payment (refer note 46)	-	-	-	-	4.08	-	-	-	-	4.08
Transfer from share options outstanding account	-	-	6.47	-	-	-	-	-	-	6.47
Foreign currency translation reserve	-	-	-	(17.26)	-	-	-	-	-	(17.26)
Measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	14.66	14.66
Transfer to securities premium on issue of equity shares	-	-	-	-	-6.47	-	-	-	-	(6.47)
Profit for the year	-	-	-	-	-	-	1,709.99	-	-	1,709.99
Balance as at 31 March 2021	1.90	45.73	888.19	52.77	183.57	55.30	10,034.90	941.65	(22.54)	12,181.47

Nature and purpose of other reserves

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under Mistral Solutions Private Limited Employee Stock Option Plan.

Securities premium

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

Capital redemption reserve

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

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

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



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Rs. in lakhs

As at	31 March 2021	31 March 2020
Note 18 - Provisions		
Provision for employee benefits		
- Gratuity (refer note 42)	73.52	226.53
- Compensated absences	106.55	97.11
	180.07	323.64
Note 19 - Trade payables		
Total outstanding dues of micro and small enterprises	115.22	150.56
Total outstanding dues of other than micro and small enterprises	976.27	1,030.71
	1,091.49	1,181.27
The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 48.		
Note:		
The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	115.22	150.56
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year.		
	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.		
	89.47	37.21
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.		
	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.		
	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006		
	-	-
Note 20 - Other financial liabilities		
Payable to employees	406.17	419.80
Accrued expenses	91.68	103.79
Other payables	5.88	-
	503.73	523.59
Note 21 - Other current liabilities		
Advance from customers	1,273.27	1,025.83
Statutory liabilities (TDS, PF, GST etc.)	164.25	131.54
Unearned revenue	183.26	63.49
	1,620.78	1,220.86
Note 22 - Provisions		
Provision for employee benefits		
- Gratuity (refer note 42)	0.86	1.01
- Compensated absences	16.88	15.21
Provision for foreseeable loss on contract (refer note 39)*	6.36	7.96
Provision for warranty (refer note 39)**	74.65	74.65
Provision for liquidated damages (refer note 39)***	353.32	222.43
	452.07	321.26

* The provision for foreseeable losses on contracts are expected to be utilized over a period of one year.

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

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



For the year ended	31 March 2021	31 March 2020
Note 23 - Revenue from operations		
Product sales		
Sale of products	6,789.13	6,852.44
System engineering and traded sales	2,429.56	2,303.60
Sale of services		
Professional engineering services	5,286.04	4,929.43
Other operating revenue		
Export incentives	57.38	205.70
	14,562.11	14,291.17

A. Disaggregate revenue information

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

Primary Geographical Markets

Geography	31 March 2021	31 March 2020
India	8,107.71	7,419.28
USA	5,979.68	6,204.19
Canada	265.06	398.08
France	42.37	8.69
Others	109.91	55.23
	14,504.73	14,085.47

Timing of revenue recognition

	31 March 2021	31 March 2020
Goods or services transferred at point in time	11,474.54	11,320.88
Goods or Service transferred over time	3,030.19	2,764.59
	14,504.73	14,085.47

Note: The amount of INR 57.38 lakhs (31 March 2020: Rs. 205.70 lakhs) pertaining to export incentive has not been considered in the above revenue disclosure.

B. Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/ POs/WOs, etc) at the year end :

Time Band	31 March 2021	31 March 2020
< 1 year	2,041.41	1,369.08
>1 year but < 5 year	-	-
	2,041.41	1,369.08

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

	31 March 2021	31 March 2020
Opening balance	1,684.93	927.03
Additions during the year	3,113.30	2,710.20
Reclassification adjustments:		
- Billing from opening balance of contract assets to trade receivables	(1,142.07)	(311.80)
- Billing from contract assets transferred to trade receivables	(2,422.40)	(1,640.50)
Closing balance	1,233.76	1,684.93

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

	31 March 2021	31 March 2020
Opening balance	1,089.32	740.97
Additions during the year	424.83	431.01
Reclassification Adjustments:		
- Transfer of opening balances of contract liabilities to revenue	(57.62)	(82.66)
Closing balance	1,456.53	1,089.32

E. Reconciliation of revenue from contracts with customers

	31 March 2021	31 March 2020
Revenue from contracts with customers as per the contract price	15,106.60	14,535.05
Adjustments made to contract price on account of :-		
a) Liquidated damages	(234.66)	(101.23)
b) Deferral of revenue	(424.83)	(431.01)
c) Recognition of revenue from contract liability out of opening balance of contract liability	57.62	82.66
Revenue from contracts with customers as per the Statement of Profit and Loss	14,504.73	14,085.47



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

	Rs. in lakhs	
For the year ended	31 March 2021	31 March 2020
Note 24 - Other income		
Interest income from financial assets carried at amortised cost	125.66	146.36
Dividend income	1.80	0.99
Rent concession received	8.14	-
Profit on lease modification	0.59	-
Profit on sale of property, plant and equipment	0.21	-
Net gain on financial asset measured at fair value through profit and loss	431.34	77.46
Provision no longer required, written back	13.67	20.07
Foreign exchange gain (net)	7.96	-
Miscellaneous income	13.55	37.71
	602.92	282.59
Note 25 - Cost of materials consumed		
Inventory of materials at the beginning of the year	722.10	701.79
Add: Purchases	5,119.15	4,733.87
Less: Inventory of materials at the end of the year	(1,897.54)	(722.10)
	3,943.71	4,713.56
Note 26 - Purchase of stock-in-trade		
Purchases of traded goods	1,153.01	1,668.43
Cost of annual maintenance contracts	97.68	9.65
	1,250.69	1,678.08
Note 27 - Changes in inventories of finished goods, stock-in-trade and work-in-progress		
<i>Opening inventory</i>		
Finished Goods	443.24	47.32
Stock-in-trade	288.35	98.31
Work-in-progress	81.39	-
<i>Closing inventory</i>		
Finished Goods	(195.20)	(443.24)
Stock-in-trade	(52.33)	(288.35)
Work-in-progress	(100.40)	(81.39)
(Increase) / Decrease in inventory	465.05	(667.35)
Note 28 - Employee benefits expense		
Salaries, wages and bonus	5,302.50	5,083.33
Contribution to provident and other funds	369.52	368.84
Share based payment expense	4.08	-
Staff welfare expense	57.67	145.72
	5,733.77	5,597.89
Note 29 - Finance costs		
Interest expense on financial liability measured at amortised cost	1.02	0.16
Interest on Lease Liability	50.92	73.31
Others	5.93	3.12
	57.87	76.59
Note 30 - Other expenses		
Travelling and conveyance	47.18	197.54
Rent (refer note 34)	17.97	13.07
Legal and professional fees	331.39	371.90
Repairs and maintenance		
- Plant and machinery	109.80	81.11
- Others	134.84	108.56
Power and fuel	59.58	72.58
Equipment Hire Charges	0.02	0.70
Bank charges	40.39	37.11
Communication expenses	21.98	23.27
Advertisement and business promotion	13.87	19.03
Rates and taxes	32.49	8.04
Insurance expenses	12.30	10.61
Provision for foreseeable loss on contracts	-	0.55
Bad debts	2.74	0.26
Provision for doubtful debts	-	0.95
Clearing & Forwarding Charges	14.11	6.90
Corporate social responsibility expenses (refer note 38)	44.46	21.66
Loss on sale of property, plant and equipment	-	10.49
Net loss on foreign currency transaction and translation	-	1.91
Miscellaneous expenses	45.55	61.13
	928.67	1,047.37



Mistral Solutions Private Limited
Notes on consolidated financial statements (continued)

Note 31- Income-tax

(a) Amounts recognised in Statement of Profit and Loss

Rs. in lakhs

For the year ended	31 March 2021	31 March 2020
Current tax	439.98	413.14
Deferred tax:		
Attributable to origination and reversal of temporary differences	127.06	(6.76)
Tax expense for the year	567.04	406.38

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2021			31 March 2020		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified subsequently to statement of profit and loss						
Remeasurements of the defined benefit plans	19.59	(4.93)	14.66	(25.13)	7.31	(17.82)
	19.59	(4.93)	14.66	(25.13)	7.31	(17.82)

(c) Reconciliation of effective tax rate

For the year ended	31 March 2021		31 March 2020	
Profit before tax		2,277.03		1,632.26
Tax using the Company's domestic tax rate:	25.17%	573.08	29.12%	475.31
Tax effect of:				
Weighted deduction on research and development expenditure	0.00%	-	-6.34%	(86.35)
Impact on account of change in rates	0.00%	-	-0.42%	24.46
Others	-0.27%	(6.04)	0.39%	6.52
	24.90%	567.04	22.75%	419.94

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Property, plant and equipment	58.44	66.00	-	-	58.44	66.00
Employee benefits	49.79	85.54	-	-	49.79	85.54
Other items	33.09	88.59	33.51	2.95	(0.42)	85.64
	141.32	240.13	33.51	2.95	107.81	237.18

(e) Movement in temporary differences

	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2021
Property, plant and equipment	66.00	(7.56)	-	-	-	58.44
Employee benefits	85.54	(35.75)	-	-	-	49.79
Other items	85.64	(83.76)	-	(2.31)	-	(0.42)
	237.18	(127.06)	-	(2.31)	-	107.81
	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2020
Property, plant and equipment	55.19	(4.60)	-	15.41	-	66.00
Employee benefits	139.26	(53.72)	-	-	-	85.54
Other items	16.57	65.08	-	3.99	-	85.64
	211.02	6.76	-	19.40	-	237.18

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

As at	31 March 2021	31 March 2020
Income tax assets (net)	305.34	316.11
Current tax liabilities (net)	75.36	82.40
Net current income tax asset / (liability) as at 31 March	229.98	233.71

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2021 and 31 March 2020 is as follows.

For the year ended	31 March 2021	31 March 2020
Net current income tax asset / (liability) at the beginning	233.71	165.11
Income tax paid	441.18	474.44
Current income tax expense	(439.98)	(413.14)
Income tax on other comprehensive income and others	(4.93)	7.31
Net current income tax asset / (liability) at the end	229.98	233.71



Note 32: The Company along with its promoters entered into a Share Purchase Agreement ('SPA') on December 1, 2017, whereby Axiscades Technologies Limited (formerly Axiscades Engineering Technologies Limited) ('Axiscades') agreed to acquire 100% stake in the Company along with its subsidiaries ('Group') in a phased manner.

The Company, its shareholders and Axiscades are presently involved in arbitration proceedings owing to dispute over discharge of their respective obligations under the aforesaid agreement. Both parties have alleged that the other party should comply with their obligations under the aforesaid agreement. Additionally, both parties have demanded for interest and damages alleging the other party's failure to discharge its obligations under the aforesaid agreement. The Arbitral Tribunal vide its interim order dated August 28, 2020 has asked to maintain the status quo with respect to shareholding in the Company and existing constitution of the Board of Directors of the Company. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently.

Pending the final outcome of the matter, the management believes no significant effects on the Group are expected which may require any adjustments in the consolidated financial statement of the Company.

Rs. in lakhs

Note 33 - Contingent liabilities and commitments**(i) Contingent Liabilities**

- (a) Claims against the Group not acknowledged as debt in respect to income tax, sales tax and other matters for the year ended 31 March 2021: Rs. 220.93 lakhs; (31 March 2020: Rs 180.13 lakhs)
- (b) Cumulative preference dividend not proposed by the Board of Directors amounted to Rs 0.01 lakhs (31 March 2020: Rs. 0.01 lakhs).

(ii) Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for the year ended 31 March 2021: Rs. 250.75 lakhs (31 March 2020: Rs Nil) ((net of advances)

Notes:

The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company will evaluate its position and record provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

Note 34 - Leases**34.1 Amounts recognised in balance sheet**

Particulars	Note	As at March 31, 2021	As at March 31, 2020
(i) Right-of-use assets	5		
Buildings		451.61	279.09
Vehicle		65.48	121.08
Leasehold land		386.72	386.72
		903.81	786.89
(ii) Lease liabilities			
Non-current		270.29	107.83
Current		256.41	339.93
		526.70	447.76

34.2 Amounts recognised in the statement of profit and loss

Particulars	Note	As at March 31, 2021	As at March 31, 2020
(i) Depreciation and amortisation expense			
Buildings	5	276.93	284.13
Vehicle	5	55.60	52.37
(ii) Interest expense (included in finance cost)	29	50.92	73.31

(a) The total cash outflow for the year ended March 31, 2021 amounts to Rs. 404.05 lakhs (March 31, 2020 : Rs. 402.86 lakhs).

34.3 The impact on the statement of profit and loss for the year ended March 31, 2021 is as below:

Particulars	As at March 31, 2021	As at March 31, 2020
Rent is lower by	(335.02)	(337.96)
Depreciation is higher by	332.53	336.50
Finance cost higher by	50.92	73.31
	48.43	71.85

The Company has discounted lease payments for new leases using applicable incremental borrowing rate of 8.40% (March 31, 2020 : 9.75%) for measuring the lease liability.



Note 35 - i) Details of non current investments purchased and sold:

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

	As at 1 April 2020	Purchased during the year	Sold during the year	Increase / (decrease) in fair value	Reclassification	As at 31 March 2021
Investments in real estate fund	247.71	-	(4.53)	(11.57)	-	231.61
Investments in other fund	126.13	-	-	91.33	-	217.46

b) Non current investments purchased and sold during the previous year

	As at 1 April 2019	Purchased during the year	Sold during the year	Decrease in fair value	Reclassification	As at 31 March 2020
Investments in real estate fund	271.32	-	(15.47)	(8.14)	-	247.71
Investments in other fund	517.95	150.00	-	(23.87)	(517.95)	126.13

ii) Details of current investments purchased and sold:

a) Current investments purchased and sold during the current year

	As at 1 April 2020	Purchased during the year	Sold during the year	Increase in fair value	Reclassification	As at 31 March 2021
Investments in other fund	561.29	-	(601.24)	39.95	-	-
Investments in equity shares	102.96	-	(173.99)	148.79	-	77.76

b) Current investments purchased and sold during the previous year

	As at 1 April 2019	Purchased during the year	Sold during the year	Increase / (decrease) in fair value	Reclassification	As at 31 March 2020
Investments in other fund	-	-	-	43.34	517.95	561.29
Investments in equity shares	194.63	-	-	(91.67)	-	102.96

ii) Details of inter corporate deposit during the current year:

a) Terms and conditions on which inter-corporate loans have been given

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	Purpose
Valdel Infratech Private Limited	Corporate	Unsecured	10%	6 months	Inter-corporate deposits

b) Details of loan given and repaid during the previous year

	As at 1 April 2019	Amount given during the year (including accrued interest)	Repaid during the year	As at 31 March 2020
Valdel Infratech Private Limited	175.00	-	(175.00)	-

Note 36 - Earnings per share

A. Computation of earnings per share is as follows:

For the period	31 March 2021	31 March 2020
Net profit attributable to the equity shareholders	1,709.99	1,225.88
Less: Dividend on fully convertible cumulative participative preference shares (including tax attributable thereto)	0.01	0.01
Less: Profit attributable to fully convertible cumulative	16.93	12.15
Net profit for basic earnings per share	1,693.05	1,213.72
Add: Adjustment for the purpose of diluted earnings per share	16.94	12.16
Net profit for diluted earnings per share	1,709.99	1,225.88

B. Reconciliation of basic and diluted shares used in computing earnings per share

For the period	31 March 2021	31 March 2020
Number of weighted average shares considered for calculation of basic earnings per share	37,99,671	37,97,370
Add: Effect of fully convertible cumulative participative preference shares	38,000	38,000
Add: Effect of potential equity shares on employee stock option	2,21,087	2,23,685
Number of weighted average shares considered for calculation of diluted earnings per share	40,58,758	40,59,055
For the period	31 March 2021	31 March 2020

Note 37 - Auditor's remuneration (included in legal and professional fees, excluding applicable taxes)

For the period	31 March 2021	31 March 2020
Audit fees	20.00	18.00
Other services	28.89	30.98
Out of pocket expenses	1.79	3.27
	50.68	52.25

Note 38 - Corporate Social Responsibility

During the year, the amount required to be spent by the Company on corporate social responsibility activities amounts to Rs. 32.29 lakhs (31 March 2020: Rs. 33.02 lakhs) in accordance with Section 135 of the Companies Act, 2013. However, the Company had incurred expenditure amounting to Rs. 44.46 lakhs (31 March 2020: Rs.21.66 lakhs) during the year.

Note 39 - Disclosure of provisions movement as required under the provisions of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets:

For the year ended 31 March 2021

Particulars	Provision for foreseeable losses on contracts	Provision for warranty	Provision for liquidated damages
Balance as at beginning of the year	7.96	74.65	222.43
Provisions made during the year	3.36	75.11	375.09
Utilizations/reversals during the year	(4.96)	(75.11)	(244.21)
Provision at the end of the year	6.36	74.65	353.32

For the year ended 31 March 2020

Particulars	Provision for foreseeable losses on contracts	Provision for warranty	Provision for liquidated damages
Balance as at beginning of the year	7.41	74.66	269.09
Provisions made during the year	6.32	72.13	275.50
Utilizations/reversals during the year	(5.77)	(72.14)	(322.16)
Provision at the end of the year	7.96	74.65	222.43

Note 40 - Segment reporting

A. Basis for segmentation

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Segment revenue, results, assets and liabilities figures include the respective amounts identifiable to each of the segments. Other unallocable income net off unallocable expenditure are towards common services to the segments which are not directly identifiable to the individual segments as well as those at a corporate level which relate to the Company as a whole.

The following summary describes the products included in each of the Company's reportable segment:

Reportable segments	Products / Services
Engineering design services	Design and development services covering hardware and software.
Strategic technology solutions	Products, system integration and other solutions.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Segment revenue (revenue from operations)		
a) Engineering design services	6,581.47	7,044.27
b) Strategic technology solutions	7,980.64	7,246.90
c) Unallocable	-	-
Total revenue	14,562.11	14,291.17



Segment results

a) Engineering design services	1,325.00	1,474.15
b) Strategic technology solutions	939.58	491.01
c) Unallocable	-	-
Total segment results	2,264.58	1,965.16
Less : Interest expense	(57.87)	(76.59)
Less : Depreciation and amortisation	(508.24)	(495.36)
Add: Other un-allocable income net off un-allocable expenditure	578.56	239.05
Profit before tax	2,277.03	1,632.26
Tax expense	(567.04)	(406.38)
Profit after tax	1,709.99	1,225.88

As at 31 March 2021 As at 31 March 2020

Segment assets

a) Engineering design services	1,837.89	1,341.08
b) Strategic technology solutions	5,665.67	5,849.09
c) Unallocable	9,318.38	7,570.48
Total assets	16,821.94	14,760.65

Segment liabilities

a) Engineering design services	595.51	878.35
b) Strategic technology solutions	2,716.76	2,101.61
c) Unallocable	1,137.93	1,120.82
Total liabilities	4,450.20	4,100.78

Capital expenditure

a) Engineering design services	-	-
b) Strategic technology solutions	-	-
c) Unallocable	184.08	165.14
Total capital expenditure	184.08	165.14

Depreciation and amortisation expenses

a) Engineering design services	-	-
b) Strategic technology solutions	-	-
c) Unallocable	508.24	495.36
Total depreciation / amortisation expenses	508.24	495.36

Information by Geographies

Revenue by Geographical Market

	31 March 2021	31 March 2020
India	8,107.71	7,419.28
Outside India	6,454.40	6,871.89
Total	14,562.11	14,291.17

Segment non current assets*

As at	31 March 2021	31 March 2020
India	1,622.84	1,480.74
Outside India	28.51	11.55
Total	1,651.35	1,492.29

* Non current assets are excluding financial instruments and deferred tax assets.

Revenue from major customers

For the year ended	31 March 2021	31 March 2020
Bharat Electronics Limited	3,825.81	2,738.66
Texas Instruments Incorporated	2,417.78	3,261.72
View Inc	938.33	335.91
Hindustan Aeronautics Limited	641.52	392.28
Naval Physical Oceanographic Laboratory	639.53	176.04
Electronics & Radar Development Establishment	74.36	926.42
Centre For Air Borne Systems	35.48	925.02



Note 41 - Related parties

Relationships

1. Ultimate holding company Jupiter Capital Private Limited
Holding Company Axiscades Technologies Limited
Fellow subsidiary AXISCADES Aerospace & Technologies Private Limited
2. Key Management Personnel (KMP):
Managing Director Anees Ahmed
Director Rajeev Ramachandra
Director Mujahid Alam
Director Kaushik Sarkar*
Director Srinivas A **
Director Sharadhi Chandra B ***
Director Ashok Radhakrishna Kamath ****
Director Mariam Mathew *****
Chief Financial Officer Anoop Agarwal

* Resigned as a director on 7 June 2019

** Appointed as a director on 20 June 2019.

*** Appointed as a director on 8 November 2019.

**** Appointed as a director on 5 June 2020.

***** Appointed as a director on 17 January 2021.

3. The following are significant transactions with related parties by the Group.

Particulars	31 March 2021	31 March 2020
Revenue from operations		
Professional Engineering Services		
AXISCADES Aerospace & Technologies Private Limi Fellow subsidiary	111.64	454.50
Advance from Customers		
AXISCADES Aerospace & Technologies Private Limi Fellow subsidiary	-	171.60
Key management personnel compensation		
Short-term employee benefits	427.64	418.80
Post-employment defined benefit*	21.14	20.87

4. The balance receivable from and payable to related parties are as follows:

Particulars	31 March 2021	31 March 2020
Advance from Customer		
AXISCADES Aerospace & Technologies Private Limi Fellow subsidiary	-	314.60
Contract assets		
AXISCADES Aerospace & Technologies Private Limited	-	520.15

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

Note 42 - Employee benefits

(a) Defined contribution plans

The Group has recognised an amount of Rs.300.10 lakhs (31 March 2020: Rs.292.89 lakhs) as expenses under the defined contribution plans in the statement of profit and loss for the year.

(b) Defined benefit plans

1. Reconciliation of net defined benefit asset / (liability)

(i) Reconciliation of present value of defined benefit obligation

	31 March 2021	31 March 2020
Obligations as at the beginning of the period	593.18	509.39
Current Service cost	55.21	49.20
Interest Cost	39.93	36.95
Benefits settled	(25.56)	(32.35)
Actuarial (gain) / loss due to financial assumptions	14.07	24.72
Actuarial (gain) / loss due to experience adjustments	(13.63)	5.27
Obligations at the year end 31 March	663.20	593.18

(ii) Reconciliation of present value of plan asset:

	31 March 2021	31 March 2020
Plan assets as at 1 April	365.64	129.98
Expected return on plan assets	25.72	10.21
Return on assets excluding interest income	20.03	4.86
Contributions	202.99	252.94
Benefits settled	(25.56)	(32.35)
Plan assets at 31 March at fair value	588.82	365.64

(iii) Reconciliation of net defined benefit asset/(liability)

	31 March 2021	31 March 2020
Present value of obligation as at 31 March	663.20	593.18
Plan assets at 31 March at fair value	(588.82)	(365.64)
Amount recognised in balance sheet as asset / (liability)	74.38	227.54

Note 42 - Employee benefits (continued)

2. Expenses recognised in the statement of profit and loss under Employee benefit expense:		
Current service cost	55.21	49.20
Interest cost	14.22	26.74
Net cost	69.42	75.94
3. Remeasurements recognised in statement of Other comprehensive income		
Changes in financial assumptions	14.07	24.72
Experience adjustments	(13.63)	5.27
Actual returns on plan assets less interest on plan assets	(20.03)	(4.86)
Net Loss / (Gain) recognised in statement of other comprehensive income	(19.59)	25.13
4. Experience adjustment:		
On plan liabilities (gain) / loss	(13.63)	5.27
On plan assets gain / (loss)	20.03	4.86
5. Investment details:		
Insurer managed funds	% Invested 99.89%	% Invested 99.84%
Others	0.11%	0.16%
	31 Mar 2021	31 Mar 2020
6. Principal actuarial assumptions		
Discount factor [Refer note (i) below]	6.70%	6.95%
Estimated rate of return on plan assets [Refer note (ii) below]	6.70%	6.95%
Attrition rate:		
Age related (Service related):		
21-30 Years	15.00%	15.00%
31-34 Years	10.00%	10.00%
35-44 Years	5.00%	5.00%
45-50 Years	3.00%	3.00%
51-54 Years	2.00%	2.00%
55-59 Years	1.00%	1.00%
Salary escalation rate [Refer note (iii) below]	6.00% until years 3, inclusive then 7.00%	6.00% until years 3, inclusive then 7.00%
Retirement age (in years)	60	60
7. Maturity profile of defined benefit obligation:		
Within 1 year	43.41	37.26
1-2 year	37.85	35.22
2-3 year	55.63	34.82
3-4 year	53.79	52.06
4-5 year	56.62	50.20
5- 10 year and above	1,325.39	1,262.97

Notes:

- The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below.

	31 March 2021	31 March 2020
A. Discount rate		
Discount rate -50 basis points	4.73%	5.40%
Discount rate +50 basis points	-4.37%	-4.98%
B. Salary escalation rate		
Salary rate -50 basis points	-2.25%	-2.72%
Salary rate +50 basis points	2.29%	2.71%



Note 43 - Research and development expenditure

Research and development expenses comprise of the following

Particulars	31 March 2021	31 March 2020
Capital expenditure	11.17	4.80
Revenue expenditure	599.67	671.78
Total	610.84	676.58

Note 4 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law required existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international as well as domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence as required by law. The Management is of the opinion that its international as well as domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Note 45 - Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

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

Particulars	31 March 2021	31 March 2020
Total debt	-	-
Total equity	12,371.74	10,659.87
Debt to equity ratio	0.00%	0.00%

Note 46 - Share based payments

Employee Stock Option Plan 2010

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

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

Particulars	31 March 2021	31 March 2020
Options outstanding as at beginning of the year	2,37,000	2,37,000
Options granted during the year	1,39,000	-
Options vested during the year	-	-
Options forfeited during the year	-	-
Options exercised during the year	8,000	-
Shares allotted against options exercised during the year	8,000	-
Options expired during the year	-	-
Options outstanding at the end of the year	3,68,000	2,37,000
Options exercisable as at the end of the year	2,29,000	2,37,000
Weighted average price per option (Rs.)	5	5

Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Company has granted 1,39,000 option (31 March 2020: Nil option) during the year.



Note - 47 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial information for the year ended 31st March 2021:

Name of the Entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Mistral Solutions Private Limited	88.89%	11,272.31	88.92%	1,520.47	101.66%	14.91	89.03%	1,535.38
Indian Subsidiaries								
Aero Electronics Private Limited	-0.12%	(15.18)	-0.09%	(1.61)	0.00%	-	-0.09%	(1.61)
Mistral Technologies Private Limited	5.74%	728.24	1.92%	32.85	-1.73%	(0.25)	1.89%	32.60
Foreign Subsidiaries								
Mistral Solutions Inc.	5.49%	695.88	9.26%	158.28	0.00%	-	9.18%	158.28
Mistral Solutions Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	100%	12,681.25	100%	1,709.99	100%	14.66	100%	1,724.65
<i>Adjustment arising out of Consolidation</i>		(309.51)		-		(17.26)		(17.26)
Total		12,371.74		1,709.99		(2.60)		1,707.39



Note 48 - Financial instruments - fair values and risk management

Rs. in lakhs

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2021, including their levels in the fair value hierarchy.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2021, including their levels in the fair value hierarchy.										
Particulars	Note	Carrying amount				Fair value				
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in real estate fund	7	231.61	-	-	-	231.61	-	231.61	-	231.61
Investment in other funds	7	217.46	-	-	-	217.46	-	217.46	-	217.46
Investment in mutual funds	7, 11	3,796.01	-	-	-	3,796.01	2,606.47	1,189.54	-	3,796.01
Investment in equity shares	11	77.76	-	-	-	77.76	77.76	-	-	77.76
		4,322.84	-	-	-	4,322.84				
Financial assets not measured at fair value										
Loans receivable	8	-	-	198.62	-	198.62				
Other financial assets	14	-	-	132.01	-	132.01				
Trade receivables	12	-	-	3,533.92	-	3,533.92				
Cash and cash equivalents	13	-	-	919.07	-	919.07				
Other bank balances	13	-	-	1,732.73	-	1,732.73				
		-	-	6,516.35	-	6,516.35				
Financial liabilities not measured at fair value										
Lease liabilities	34	-	-	-	526.70	526.70				
Trade payables	19	-	-	-	1,091.49	1,091.49				
Other financial liabilities	20	-	-	-	503.73	503.73				
		-	-	-	2,121.92	2,121.92				

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their levels in the fair value hierarchy.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their levels in the fair value hierarchy:										
Particulars	Note	Carrying amount				Fair value				Total
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	
Financial assets measured at fair value										
Investment in real estate fund	7	247.71	-	-	-	247.71	-	247.71	-	247.71
Investment in other funds	7, 11	687.42	-	-	-	687.42	-	687.42	-	687.42
Investment in mutual funds	7, 11	2,209.75	-	-	-	2,209.75	2,209.75	-	-	2,209.75
Investment in equity shares	11	102.96	-	-	-	102.96	102.96	-	-	102.96
		3,247.84	-	-	-	3,247.84				
Financial assets not measured at fair value										
Loans receivable	8	-	-	187.02	-	187.02				
Other financial assets	14	-	-	34.08	-	34.08				
Trade receivables	12	-	-	3,360.84	-	3,360.84				
Cash and cash equivalents	13	-	-	610.41	-	610.41				
Other bank balances	13	-	-	1,381.43	-	1,381.43				
		-	-	5,573.78	-	5,573.78				
Financial liabilities not measured at fair value										
Lease liabilities	34	-	-	-	447.76	447.76				
Trade payables	19	-	-	-	1,181.27	1,181.27				
Other financial liabilities	20	-	-	-	523.59	523.59				
		-	-	-	2,152.62	2,152.62				

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, lease liabilities, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair

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

Investments in equity shares which are classified as FVTPL are measured using market price of share at the reporting date multiplied by the quantity held.



Note 48 - Financial instruments - fair values and risk management (continued)

Financial risk management

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

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Financial assets that are not credit impaired

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

Financial assets that are credit impaired

Trade receivables

The Group's exposure to credit risk is influenced mainly by the type of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are into defence sector or non defence sector, industry, trading history with the Group and existence of previous financial difficulties.

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

Carrying amount	31 March 2021	31 March 2020
Defence sector	2,238.14	2,329.16
Non defence sector	1,302.38	1,042.79
	<u>3,540.52</u>	<u>3,371.95</u>

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Out of the total trade receivables of Rs. 3,540.52 lakhs (31 March 2020: Rs. 3,371.95 lakhs), the exposure considered for expected credit loss is Rs. 1,302.38 lakhs (31 March 2020: Rs. 1,042.79 lakhs). The balance which is not considered for impairment pertains to defence customers where default in collection as a percentage to total receivable is low.

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

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2021			
Current (not past due)	915.78	0.22%	2.00
0-90 days	257.38	0.31%	0.80
91-180 days	129.22	2.94%	3.80
181-270 days	-	0.00%	-
271-360 days	-	0.00%	-
> 360 days	-	0.00%	-
	<u>1,302.38</u>		<u>6.60</u>

	Gross carrying amount	Weighted average loss rate	Loss allowance
31 March 2020			
Current (not past due)	718.42	0.37%	2.67
0-90 days	300.61	1.72%	5.18
91-180 days	2.48	4.68%	0.12
181-270 days	21.28	14.78%	3.14
271-360 days	-	0.00%	-
> 360 days	-	0.00%	-
	<u>1,042.79</u>		<u>11.11</u>

Movement in the allowance for impairment in trade receivables

	31 March 2021	31 March 2020
Opening balance	11.11	15.58
Amount provided for / (reversal)	(4.51)	(4.47)
Net remeasurement of loss allowance	<u>6.60</u>	<u>11.11</u>

Liquidity risk

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021.

Particulars	As at 31 March 2021		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
	226.41	173.17	88.12

Note 48 - Financial instruments - fair values and risk management (continued)

Particulars	As at 31 March 2020		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Lease liabilities	339.93	84.65	23.18
Trade payables	1,181.27	-	-
Other financial liabilities	523.59	-	-
	<u>2,044.79</u>	<u>84.65</u>	<u>23.18</u>

Market risk

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

Exposure to currency risk

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

Particulars	31 March 2021			Rs. in lakhs
	USD	EURO	GBP	
Trade and other payables	616.37	15.02	-	3.04
Trade and other receivables	1,093.27	53.51	-	-
Net exposure in respect of recognised assets and liabilities	(476.90)	(38.49)	3.04	

Particulars	31 March 2020			Rs. in lakhs
	USD	EURO	GBP	
Trade and other payables	810.68	-	-	5.82
Trade and other receivables	771.04	0.72	-	-
Net exposure in respect of recognised assets and liabilities	39.62	(0.72)	5.82	

Sensitivity analysis

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

31 March 2021

USD (for 1% movement)
EURO (for 1% movement)
GBP (for 1% movement)

Profit or loss		Equity, net of tax	
Strengthening	Weakening	Strengthening	Weakening
(4.77)	4.77	(3.57)	3.57
(0.38)	0.38	(0.29)	0.29
0.03	(0.03)	0.02	(0.02)
(5.12)	5.12	(3.84)	3.84

31 March 2020

USD (for 1% movement)
EURO (for 1% movement)
GBP (for 1% movement)

Profit or loss		Equity, net of tax	
Strengthening	Weakening	Strengthening	Weakening
0.40	(0.40)	0.28	(0.28)
(0.01)	0.01	(0.01)	0.01
0.06	(0.06)	0.06	(0.06)
0.44	(0.44)	0.33	(0.33)

Note 49: In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024



Ashish Chadha

Partner

Membership Number: 500160

Place: Bengaluru
Date: 27 May 2021

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

Anees Ahmed

Managing Director

DIN: 00225648

Anoop Agarwal

Chief Financial Officer

Place: Bengaluru
Date: 27 May 2021

Mujahid Alam

Director and Chief Executive Officer

DIN: 02651595