

# MOSCHIP

Connecting The World  
Your Trusted SILICON | Product Development Partner



23<sup>RD</sup>

## ANNUAL REPORT MARCH 2022

### **MOSCHIP TECHNOLOGIES LIMITED**

Leading Provider of Semiconductor and  
Embedded System Design Services

[www.moschip.com](http://www.moschip.com)

     /MosChipTech

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## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

Mr. K. Pradeep Chandra	-- Chairman
Mr. Venkata Sudhakar Simhadri	-- Managing Director & CEO
Mr. K. Ramachandra Reddy	-- Non-Executive Director
Mr. D. G. Prasad	-- Independent Director
Mr. Damodar Rao Gummadapu	-- Non-Executive Director
Mrs. Madhurika Nalluri Venkat	-- Independent Director
Mr. Rajeev Krishnamoorthy*	-- Independent Director

\* Mr. Rajeev Krishnamoorthy appointed as Additional Director In Independent Category of the Company w.e.f. 28th March, 2022.

\*\*Mr. J.A. Chowdary ceased to be a Director w.e.f. 14th January, 2022.

\*\*\* Mr. Raja Praturi ceased to be a Director w.e.f. 12th July, 2022.

### COMMITTEES OF THE BOARD

#### Audit Committee.

Mr. D.G. Prasad	-- Chairman
Mr. K. Pradeep Chandra	-- Member
Mrs. Madhurika Nalluri Venkat	-- Member
Mr. Damodar Rao. G	-- Member

#### Nomination & Remuneration Committee.

Mr. D.G. Prasad	-- Chairman
Mr. K. Pradeep Chandra	-- Member
Mrs. Madhurika Nalluri Venkat	-- Member

#### Stakeholders Relationship Committee.

Mr. K. Pradeep Chandra	-- Chairman
Mr. D. G. Prasad	-- Member
Mrs. Madhurika Nalluri Venkat	-- Member

#### Risk Management Committee

Mrs. Madhurika Nalluri Venkat	-- Chairman
Mr. K. Pradeep Chandra	-- Member
Mr. D. G. Prasad	-- Member
Mr. K. Ramachandra Reddy	-- Member

#### Mr. Venkata Sudhakar Simhadri

Chief Executive Officer

#### Mr. Jayaram Susarla

Chief Financial Officer

#### CS Suresh Bachalakura

Company Secretary & Compliance Officer

#### REGISTERED OFFICE

7<sup>th</sup> Floor, My Home Twitza,  
TSIIC, Knowledge City,  
Hyderabad,  
Telangana – 500081.

Tel : 040-6622-9292

Fax : 040-6622-9393

Website: www.moschip.com

#### STATUTORY AUDITORS

M/s. S. T. Mohite & Co.  
Chartered Accountants  
G-5, B-Block, Paragon Venkatadri Apartments  
3-4-812, Street No. 1, Barkatpura,  
Hyderabad – 500 027.

#### SECRETARIAL AUDITORS

M/S B S S & Associates  
Company Secretaries  
Off: Parameswara Apartments  
# 6-3-626, 5th Floor, 5 – A  
Anand Nagar, Khairatabad  
Hyderabad - 500 004.

#### REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Ltd.  
Karvy Selenium, Tower B,  
Plot No. 31 & 32, Financial District,  
Gachibowli, Hyderabad - 500 032, Telangana, India  
Tel: 040-4465 5209  
Email: einward.ris@karvy.com

## DIRECTORS' REPORT

To

The Members,

Your Directors take immense pleasure in presenting the 23<sup>rd</sup> Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Summary of Financial Results

	Year ended 31 March 2022		Year ended 31 March 2021	
	Consolidated	Standalone	Consolidated	Standalone
Income from operations	1,4764.40	12,070.32	10,519.35	8,408.47
Other Income	513.39	213.33	172.74	336.84
<b>Total Revenue</b>	<b>15,277.79</b>	<b>12,283.65</b>	<b>10,692.09</b>	<b>8,745.31</b>
(Loss) / Profit before exceptional item, Interest, Depreciation & Tax	2,770.56	2,269.31	866.21	1,111.36
(Loss) / Profit before Interest, Depreciation & Tax	2,770.56	2,269.30	866.21	1,111.36
Less: Interest	860.50	842.86	857.08	832.82
Less: Depreciation	1,264.14	889.35	917.98	459.96
<b>Profit/ (Loss) before tax</b>	<b>645.92</b>	<b>537.10</b>	<b>(908.86)</b>	<b>(181.42)</b>
Less: Tax expense	0.62	-	6.22	3.13
<b>Profit / (Loss) after tax</b>	<b>645.30</b>	<b>537.10</b>	<b>(915.09)</b>	<b>(184.55)</b>
Less: Pre-Acquisition (+) Profit / (-) Loss				
<b>Net Profit / (Loss) for the year</b>	<b>645.30</b>	<b>537.10</b>	<b>(915.09)</b>	<b>(184.55)</b>

### 2. Performance Review

Your Company, MosChip Technologies Limited is a fabless model semiconductor and Internet of Things/Everything (IoT/E) focused company. It specializes in product design and development services ranging from Chip Design to Systems Development. It works with Defense Labs as well as globally acclaimed chip design companies in the areas of Chip (SOC) design and development for Aerospace, Defence, Consumer and Industrial applications and IoT/E Products and Services across various industries.

On consolidated basis, the income from operations grew to Rs. 14,764.40 lakhs from Rs. 10,519.35 lakhs registering a growth of 40 % year on year. The increased growth during the current year is primarily Increase in revenue from design and development services. The Profit before Interest, Depreciation and Tax stood at Rs. 2,770.56 lakhs while that of previous year stood at Rs. 866.21 lakhs. The Consolidated results showed a Net profit for the year at Rs. 645.30 lakhs as against a Net loss of Rs. 915.08 lakhs in the previous year.

On a standalone basis, income from operations for the year stood at Rs. 12,070.32 lakhs as against Rs. 8,408.47 lakhs for the preceding year. Standalone Net profit for the FY 2021-22 was Rs. 537.10 lakhs as against Net Loss of Rs. 184.55 lakhs for the FY 2020-21.

This performance was possible due to the proper vision and strategy of leadership team, efficient execution of operational team and with the support of dedicated employees, which is paving way for the long term sustainable growth. The Company is poised to be part of emerging opportunities by continuing to focus on its inherent strengths in services, turnkey solutions, IP, IoT & Training

The Performance review of the Company and its subsidiaries for the year is detailed in **Annexure - A** under 'Management Discussion & Analysis' annexed hereto pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### 3. Impact of the Covid-19 Pandemic:

- The COVID-19 pandemic is a global humanitarian and health crisis, that continues to impact all our stakeholders – employees, clients, investors and communities we operate in. Many countries are reporting the third and fourth wave of infections.
- 80% of MosChip's employees briefly returned to work in its new facilities in March 2022.
- MosChip has taken up a drive to provide free vaccination to all its employees and its immediate family members. A thorough thermal scanning and sanitization protocol was introduced at offices.

- Most of our customer driven projects are on track with Moschip.
- However, the semiconductor and IT industry continues to flourish in spite of the challenges thrown with COVID situation.

## 4. Subsidiaries, Joint Ventures and Associate Companies

As on 31<sup>st</sup> March, 2022, the Company has 2 direct subsidiaries, namely;

- 01) MosChip Technologies, USA
- 02) MosChip Institute of Silicon Systems Private Limited.

There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries.

During the year Maven Systems Private Limited the wholly owned subsidiary has been merged with the Company by virtue of the Hon'ble NCLT Hyderabad bench order dated 14<sup>th</sup> March, 2022.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is enclosed as **Annexure – B** of the Board's Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company.

## 5. Dividend & Transfers to Reserves

In view of the losses your directors have not recommended any dividend for the year under review. As a result, there is no appropriation of any amount to the reserves of the Company during the year under review.

During the period under review, no amount was required to be transferred to the Investor Education and Protection Fund.

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the Company's website at [www.moschip.com](http://www.moschip.com)

## 6. Share Capital

### (a) Increase in Paid-up Share Capital

During the year under review, your Company issued, and allotted Equity Shares as mentioned in below table.

S. No	Date of allotment	Number of shares allotted	Allotment Price in Rs.	Particulars
01	25-05-2021	75,000	18	pursuant to exercise of vested stock options
02	25-05-2021	2,000	5.98	pursuant to exercise of vested stock options
03	11-08-2021	6,000	5.98	pursuant to exercise of vested stock options
04	11-08-2021	2,20,000	18	pursuant to exercise of vested stock options
05	11-08-2021	3,64,939	16	pursuant to exercise of vested stock options
06	28-08-2021	1,72,500	18	pursuant to exercise of vested stock options
07	28-08-2021	56,663	16	pursuant to exercise of vested stock options
08	09-12-2021	1,97,250	18	pursuant to exercise of vested stock options
09	09-12-2021	1,89,784	16	pursuant to exercise of vested stock options
10	17-01-2022	2,46,500	18	pursuant to exercise of vested stock options
11	17-01-2022	5,22,157	16	pursuant to exercise of vested stock options

Consequent to the above, the subscribed and paid-up equity share capital of your Company as on March 31, 2022 stood at Rs.32,00,88,390/- comprising of 16,00,44,195 Equity Shares of Rs.2/- each.

On 28.04.2022, the Company allotted 51,583 Equity Shares pursuant to exercise of vested stock options by employees.

On 08.07.2022, the Company allotted 2,21,329 Equity Shares pursuant to exercise of vested stock options by employees

**(b) Increase in Authorised Share Capital**

In view of the scheme of arrangement/amalgamation of Maven Systems Private Limited with MosChip, the authorized share capital of your company now comprises of Rs.56,55,10,000 (Rupees Fifty Six Crore Fifty Five Lakhs Ten Thousand only) divided into 28,27,55,000 (Twenty Eight Crores Twenty Seven Lakhs and Fifty Five Thousand only) equity shares of Rs.2/- (Two only).

**(c) Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

**(d) Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

**(e) Bonus Shares**

The Company has not issued any bonus shares during the year under review.

**(f) Equity Shares with differential rights**

The Company has not issued any Equity Shares with differential rights.

**(g) Dematerialization of Shares**

99.71% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2022 and balance 0.29% is in physical form. The Company's Registrars are KFin Technologies Limited., Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad, Telangana- 500 032.

**7. Major events occurring after the balance sheet date**

**(a) Material changes and commitments if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report**

There have been no material changes and commitments, affecting the financial position of the Company which occurred during the period between the end of the financial year to which the financial statements relate and the date of this report.

**(b) Change in the Nature of Business:**

There is no change in the nature of business of the Company.

**(c) Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future**

There are no significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

**8. Directors and Key Managerial Personnel**

**(a) Inductions, Changes & Cessations in Directorships during the year 2021-2022.**

Mr. Adiseshiah Chowdary Jakkampudi (DIN: 01109704), who was appointed as an Additional Director on 25.01.2021, was regularized in the Annual General Meeting held on 13.09.2021 and resigned from the position of Independent Director on 14.01.2022. The Board in its Meeting dated 17.01.2022 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Adiseshiah Chowdary Jakkampudi.

On recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Rajeev Krishnamoorthy (DIN: 09542130) as an Additional Director in Independent Category with effect from 28.03.2022 and approval of members by way of special resolution was taken in the extra-ordinary general meeting held on 27.06.2022.

**Subsequent to the end of the financial year March 31, 2022:**

Mr. Raja Praturi (DIN: 01819707) resigned from the position of Independent Director w.e.f. 12.07.2022. The Board in its Meeting dated 14.07.2022 placed on record its appreciation for the Services, assistance and guidance provided by Mr. Raja Praturi.

Mr. Rajeev Krishnamoorthy appointment as an Independent Director was regularized by the members in the extra-ordinary general meeting held on 27.06.2022.

Directors retire by rotation:

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company Mr. Damodar Rao Gummadapu (DIN:07027779), Non-Executive Director retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**(b) Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2022 are:

Mr. Venkata Sudhakar Simhadri	-	Chief Executive Officer
Mr. Jayaram Susarla	-	Chief Financial Officer
Mr. Suresh Bachalakura	-	Company Secretary

**(c) Independent Directors**

In terms of Section 149 of the Companies Act, 2013 ('Act') Mr. Pradeep Chandra Kathi, Mr. Govinda Prasad Dasu, Mrs. Nalluri Madhurika Venkat, Mr. Raja Praturi and Mr. Rajeev Krishnamoorthy are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of science and technology, digitalization, strategy, finance, governance, human resources, sustainability, etc. and that they hold highest standards of integrity.

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

All the Independent Directors have confirmed their respective registrations in the Independent Directors Databank.

**(d) Familiarization programme for Independent Directors**

At the time of appointment, the Company conducts familiarization programmes for an Independent Director through meetings with key officials of the Company. During these meetings, presentations are made on the roles and responsibilities, duties and obligations of the Director, Company's business, Company's strategy, financial reporting, governance and compliances and other related matters. Details of Familiarization Programme for the Independent Directors are provided separately in the Corporate Governance Report which forms a part of this Board's Report.

**(e) Board evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board, Committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**(f) Audit Committee**

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

**(g) Nomination and Remuneration Committee:**

Details pertaining to composition of the Nomination and Remuneration Committee are included in the Report on Corporate Governance.

The Company's Nomination and Remuneration Policy was prepared in conformity with the requirements of the provisions of Section 178(3) of the Act.

The Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) for payment of remuneration to Directors and policy containing guiding principles for payment of remuneration to Senior Management, Key Managerial Personnel and other employees including Non-executive Directors has been uploaded on the website of the Company at <https://moschip.com/wp-content/uploads/2017/07/Nominatio-remuneration-Policy.pdf>.

**Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure – C** to this report.

**(h) Stakeholders Relationship Committee**

Details pertaining to composition of the Stakeholders Relationship Committee are included in the Report on Corporate Governance.

**(i) Risk Management Committee**

Details pertaining to composition of the Risk Management Committee are included in the Report on Corporate Governance.

**(j) ESOP plans**

Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. There was no change in the ESOP scheme of the Company during the year.

During the year under report the company has Six schemes in operation as mentioned below, for granting stock options to the employees and directors of the company and its wholly owned subsidiary in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

- (a) MosChip Stock Option Plan – 2005(MI)
- (b) MosChip Stock Option Plan – 2005(WOS)
- (c) MosChip Stock Option Plan – 2008
- (d) MosChip Stock Option Plan – 2008(ALR)
- (e) MosChip Stock Option Plan – 2008(Director)
- (f) MosChip Stock Option Plan – 2018

Disclosures with respect to Stock Options, as required under Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are annexed herewith as **Annexure – D** to this report.



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The Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available at the AGM, electronically.

**(k) Number of meetings of the Board**

04 meetings of the Board were held during the year 2021-2022. Details of these meetings as well as the meetings of its Committees have been given in the Corporate Governance Report, which forms part of the Board's Report.

**9. Corporate Social Responsibility (CSR) Initiatives:**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) Networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs.1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 were not applicable to the Company during the financial year 2021-22.

**10. Internal Financial Controls and its adequacy**

The Company has adequate internal control system consistent with the nature of business and size of its operations, to effectively provide safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. The Company has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Company has an external audit firm to perform internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all key processes. Deviations, if any, are reviewed quarterly and due compliance is ensured. Summary of Significant Audit Observations along with recommendations and its implementation is reviewed by the Audit Committee and reported to the Board.

**11. Vigil Mechanism / Whistle Blower Policy**

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism / Whistle Blower Policy in line with SEBI Listing Regulations for directors and employees to report genuine concerns has been established. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company at <https://moschip.com/investor-relations/policies-documents/WhistleBlowerPolicy-document.pdf>

**12. Deposits**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**13. Statutory Auditors and Auditors' Report**

M/s. S. T. Mohite & Co., Chartered Accountants (Firm Registration No. 011410S) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 18<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2017 until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2022. The proposal for re-appointment of M/s. S. T. Mohite & Co., as an Auditor for another term of 05 years was part of the 23<sup>rd</sup> AGM of the Company.

The Notes on Financial Statements referred to in the Auditors Report are self-explanatory and do not call for any further comments.

The Report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2022 forming part of the Annual Report does not contain any qualification, reservation, observation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Further, in compliance with the RBI requirements the Company has obtained Statutory Auditors Report in relation to downstream investments.

**14. Internal Audit:**

As per the provisions of Section 138 of the Act and the rules made there under, the Board of Directors had appointed M/s Gokhale & Co, Chartered Accountants, Hyderabad (FRN No: 000942S), as Internal Auditor to conduct the internal audit of the Company for the Financial Year 2021-22.

Further, on the recommendation of audit committee, the Board of Directors of the Company has approved the re-appointment of aforesaid audit firm as internal auditors for the Financial Year 2022-23.

### 15. Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. BSS & Associates, Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2021-2022. The Secretarial Audit Report and Secretarial Compliance Report are annexed herewith as **Annexure – E**. The Secretarial Audit Report and Secretarial Compliance Report don't contain any qualifications, reservation or adverse remark.

### 16. Cost Records and Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

### 17. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

Information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is included in **Annexure -F**.

### 18. Related Party Transactions:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseeable and repetitive nature. The particulars of contracts or arrangements with related parties referred to in section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure - G** to this Report.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules thereunder and the SEBI Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at <https://moschip.com/investor-relations/policies-documents/PolicyOnRelatedPartyTransactions-document.pdf>

### 19. Annual Return:

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company is placed on the Website of the Company at [www.moschip.com](http://www.moschip.com).

### 20. Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the SEBI Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees and Investments are provided as part of the financial statements.

### 21. Directors' Responsibility Statement

Pursuant to Section 134(5) the Companies Act, 2013 and based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;