AMAR & RAJU
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Astra Rafael Comsys Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Astra Rafael Comsys Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

AMAR & RAJU CHARTERED ACCOUNTANTS HYDERABAD

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) Reporting under section 143(3)(i) of the Companies Act, 2013 with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable to the Company during the period under audit.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

AMAR & RAJU CHARTERED ACCOUNTANTS HYDERABAD

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Amar & Raju
Chartered Accountants
Firm Registration No. 000092S

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

(G. Amaranatha Reddy)
Partner
Membership No. 019711

Place: Hyderabad
Dated: 30.04.2019

Annexure

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF

Astra Rafael Comsys Private Limited

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our Report

i) a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

c) The title deeds of immovable properties, as disclosed in Note2 on fixed assets to the financial statements are held in the name of the company.

ii) The Company does not have any inventory; accordingly, paragraph 3(ii) of the Order is not applicable.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/Sec.189 of the Act. Therefore the provisions of Caluse 3(iii). (iii)(a), (iii)(b), (iii)(c) of the said Order are not applicable to the Company.

iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and securities provided by it.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly the provisions of Clause (v) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities rendered by the Company.

AMAR & RAJU
HYDERABAD
CHARTERED ACCOUNTANTS

vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues in respect of Income Tax, Goods and Services Tax and other statutory dues applicable to it.

According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Goods and Services Tax and other statutory dues applicable to it were in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.

viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, Government and dues to debenture holders.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit and accordingly, paragraph 3(ix) of the Order is not applicable to the company for the period under audit.

x) In our opinion and according to the information and explanations given to us, no fraud by the Company and no fraud on the company by its officers or employees has been noticed or reported during the course of audit.

xi) During the year under audit the Company has not paid or provided any managerial remuneration and accordingly the provisions of Clause (xi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xii) Since the Company is not a Nidhi Company, the provisions of Clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and as required by the applicable accounting standards the details of the transactions with the related parties have been disclosed in the notes to the financial statements.

xiv) During the year under review the Company made preferential allotment of shares and in our opinion the Company has complied with the requirement of section 42 of the Companies Act, 2013. Based on our audit procedures and according to the information and explanations given to us, to the extent the funds utilized during the period under audit, we are of the opinion that moneys raised have been applied for the purpose for which they were raised.

AMAR & RAJU * HYDERABAD * CHARTERED ACCOUNTANTS

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the reserved Bank of India Act, 1934.

For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration No: 000092S

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

(G. Amaranatha Reddy)
Partner
Membership No: 019711

Place: Hyderabad
Date: 30.04.2019

ASTRA RAFAEL COMSYS PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2019

All amounts in INR, unless otherwise stated

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Non-current assets				
Property, plant and equipment	2, 2.1	3,56,40,563	26,662	72,373
Capital Work-in-progress		6,38,12,919	-	-
Intangible assets under development		51,14,472	-	-
Financial assets				
i. Other financial assets	3	6,34,500	1,08,500	1,08,500
Deferred tax assets (Net)	4	27,99,113	-	-
Other non-current assets	5	1,16,81,970	-	-
Total non-current assets		11,96,83,537	1,35,162	1,80,873
Current assets				
Financial assets				
i. Investments	6	14,05,47,485	-	-
i. Cash and cash equivalents	7A	65,63,253	6,67,846	2,20,202
ii. Other bank balances	7B	5,26,51,127	-	-
Current tax assets (net)	8	3,01,693	-	-
Other current assets	5	52,44,065	44,970	-
Total current assets		20,53,07,623	7,12,816	2,20,202
Total assets		32,49,91,160	8,47,978	4,01,075
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	32,50,00,000	1,00,000	1,00,000
Other equity	10	(62,00,970)	(1,84,916)	(1,05,606)
Total equity		31,87,99,030	(84,916)	(5,606)
LIABILITIES				
Current liabilities				
Financial liabilities				
i. Trade payables	11			
a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7,65,227	1,02,195	29,616
ii. Other financial liabilities	12	21,10,557	-	-
Other current liabilities	13	33,16,347	8,30,699	3,77,065
Total current liabilities		61,92,131	9,32,894	4,06,681
Total liabilities		61,92,131	9,32,894	4,06,681
Total equity and liabilities		32,49,91,160	8,47,978	4,01,075
Summary of significant accounting policies	1			

The notes are an integral part of these financial statements.

As per our Report of even date
For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration Number: 000092S

(G. AMARANATHA REDDY)
Partner
Membership Number: 019711

For and on behalf of the Board of Directors

(B. MALLAREDDY)
Director
DIN : 00003154

(S. GURUNATHA REDDY)
Director
DIN : 00003828

(B. ROOPENDRA PRASAD
Company Secretary

Place : Hyderabad
Date : 30.04.2019

Astra Rafael Comsys Private Limited

Statement of profit and loss for the year ended March 31, 2019

All amounts in INR, unless otherwise stated

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income :			
Revenue from operations	14	2,32,64,894	-
Other income	15	1,44,64,415	-
Total income		3,77,29,309	-
Expenses :			
Employees benefits expense	16	3,31,99,431	-
Depreciation and amortisation expenses	17	2,19,259	45,711
Other expenses	18	1,31,25,786	33,599
Total Expenses		4,65,44,476	79,310
Profit/(loss) before tax		(88,15,167)	(79,310)
Tax expense			
- Current tax		-	-
- Deferred tax		27,99,113	-
Net profit / (loss) for the year		(60,16,054)	(79,310)
Other comprehensive income :			
Items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(60,16,054)	(79,310)
Earnings per equity share			
Basic earnings per share	20	(0.24)	(7.93)
Diluted earnings per share		(0.24)	(7.93)

Summary of significant accounting policies 1

The notes are an integral part of these financial statements.

As per our Report of even date
For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration Number: 000092S

(G. AMARANATHA REDDY)
Partner
Membership Number: 019711

Place : Hyderabad
Date : 30.04.2019

For and on behalf of the Board of Directors

(B. MALLA REDDY)
Director
DIN : 00003154

(S. GURUNATHA REDDY)
Director
DIN : 00003828

(B. ROOPENDRA PRASAD)
Company Secretary

Astra Rafael Comsys Private Limited

Cash Flow statement for the year ended March 31, 2019

All amounts in INR, unless otherwise stated

Particulars	March 31, 2019	March 31, 2018
Cash flow from Operating Activities		
Net Profit Before Tax	(88,15,167)	(79,310)
Adjustments for:		
Depreciation and amortisation expense	2,19,259	45,711
Interest income	(30,16,930)	-
(Gain)/loss on fair valuation of financial assets	(75,65,442)	-
(Gain)/loss on sale of investments (net)	(38,82,043)	-
Operating Profit Before Working Capital Changes	**(2,30,60,323)**	**(33,599)**
Changes in assets and liabilities:		
(Increase) / Decrease in other financial assets	(5,05,26,000)	-
(Increase) / Decrease in other current assets	(51,99,095)	(44,970)
Increase/(Decrease) in trade payable	6,63,032	72,579
(Increase) / Decrease in other current tax assets (net)	(3,01,693)	-
Increase/(Decrease) in other current liabilities	24,85,648	4,53,634
Cash generated from/(used in) operating activities	**(7,59,38,431)**	**4,47,644**
Income tax paid	-	-
Net cash generated from/(used in) operating activities (A)	**(7,59,38,431)**	**4,47,644**
Cash flow from Investing Activities		
Payments for property, plant and equipment	(11,43,31,964)	-
Purchase of current investments	(22,50,00,000)	-
Proceeds from sale of current investments	9,59,00,000	-
Interest received	3,65,803	-
Net cash flow/(used in) Investing Activities (B)	**(24,30,66,161)**	-
Cash flow from Financing Activities		
Proceeds from issue of share capital	32,49,00,000	-
Net cash from /(used in) Financing Activities ©	**32,49,00,000**	-
Net Increase in Cash & Cash Equivalents (A + B + C)	58,95,407	4,47,644
Cash & Cash Equivalents at the Beginning	6,67,846	2,20,202
Cash & Cash Equivalents at the End	**65,63,253**	**6,67,846**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on 'Cash Flow Statement'.

As per our Report of even date
For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration Number:000092S

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

(G. AMARANATHA REDDY)
Partner
Membership Number: 019711

For and on behalf of the Board

(B. MALLAREDDY)
Director
DIN : 00003154

(S. GURUNATHA REDDY)
Director
DIN : 00003828

(B. ROOPENDRA PRASAD)
Company Secretary

Place : Hyderabad
Date : 30.04.2019

Astra Rafael Comsys Private Limited Hyderabad

Astra Rafael Comsys Private Limited

Statement of changes in equity for the year ended March 31, 2019

All amounts in INR, unless otherwise stated

A. Equity Share Capital

Particulars	Note No.	Amount
As at April 1, 2017	9	1,00,000
Changes in equity share capital during the year		-
As at March 31, 2018		**1,00,000**
Changes in equity share capital during the year		32,49,00,000
As at March 31, 2019		**32,50,00,000**

B. Other Equity

Particulars	Note No.	Reserves and Surplus
		Retained Earnings
Balance as at 1 April 2017	10	(1,05,606)
Profit for the year		(79,310)
Other comprehensive income		-
Balance as at 31 March 2018		**(1,84,916)**
Profit for the year		(60,16,054)
Other comprehensive income		-
Balance as at 31 March 2019		**(62,00,970)**

As per our Report of even date
For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration Number: 000092S

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

(G. AMARANATHA REDDY)
Partner
Membership Number: 019711

For and on behalf of the Board of Directors

(B. MALLAREDDY)
Director
DIN : 00003154

(S. GURUNATHA REDDY)
Director
DIN : 00003828

(B. ROOPENDRA PRASAD)
Company Secretary

Astra Rafael Comsys Private Limited Hyderabad

Place : Hyderabad
Date : 30.04.2019

Astra Rafael Comsys Private Limited
Notes forming part of the financial statements for the year ended March 31, 2019

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 1.1 Basis of preperation of financials statements

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

The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.
These financial statements are the first financial statements of the Company under Ind AS, refer **Note 28** for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

Note 1.2 : Use of estimates

The preperation of the financial statements in confirmity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note 1.3 : Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities (other than advance consideration paid or received in foreign currency) denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

AMAR & RAJU
HYDERABAD
CHARTERED ACCOUNTANTS

Note 1.4 : Revenue recognition

Revenue is recognised at fair value of the consideration received and receivable. Amount disclosed as revenue are net of value added taxes .

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

Revenue from sale of services:

Timing of recognition: Revenue from sale of services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of total services to be provided (percentage of completion method).

Measurement of revenue: Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Note 1.5 : Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

Note 1.6 : Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

AMAR & RAJU ★ HYDERABAD ★ CHARTERED ACCOUNTANTS

Note 1.7 : Impairment of assets

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

Note 1.8 : Cash and cash equivalents

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

Note 1.9 : Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Note 1.10 : other financial assets

i) Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

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

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

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

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

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients

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

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

v) Income recognition

Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial asset but does not consider the expected credit losses.

vi) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

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Note 1.11: Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the entity or the counterparty.

Note 1.12: Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognizedas at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation/amoritsation methods, estimated useful lives and residual value

Depreciation is provided on written down value method basing on the useful life of the assets prescribed under Schedule II of the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement profit and loss under other income.

Note 1.13 : Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within credit period after recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

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Note 1.14 : Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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. 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

Note 1.15 : Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year .

(ii) Diluted earnings per share

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

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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Note 3: Other non-current financial assets (carried at amortised cost)

Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Unsecured, considered good			
Security deposits	6,34,500	1,08,500	1,08,500
Total non-current other financial assets	**6,34,500**	**1,08,500**	**1,08,500**

Note 4: Deferred tax assets (Net)

Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Deferred tax asset	51,59,531	-	-
Deferred tax liability	(23,60,418)	-	-
Net Deferred tax asset	**27,99,113**	-	-

Movement in differed tax asset

Particulars	Property, Plant & Equipment	Other Items	Total
As at April 1, 2017	-	-	-
Charged / (credited)			
to profit or loss	-	-	-
to other comprehensive income	-	-	-
As at March 31, 2018	-	-	-
Charged / (credited)			
to profit or loss	9,631	27,89,482	27,99,113
to other comprehensive income	-	-	-
As at March 31, 2019	**9,631**	**27,89,482**	**27,99,113**

Note 5 : Other non-current assets and current assets

Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Unsecured, considered good			
Non-current			
Capital advances	1,16,81,970	-	-
Total non-current assets	**1,16,81,970**	-	-
Unsecured, considered good			
Current:			
Prepaid expenses	2,73,221	-	-
Balance with government authorities	43,16,529	-	-
Advance for services	6,54,315	44,970	-
Total current assets	**52,44,065**	**44,970**	-

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Note 6: Current Investments

Particulars	As at		
	March 31, 2019	March 31, 2018	April 1, 2017
	Amount	Amount	Amount
Investments carried at fair value through profit and loss			
Investments in Mutual Funds (quoted)			
a) 1,436,959.366 Units of IDFC Ultra Short Term Fund Direct Plan Growth	1,57,69,204	-	-
b) 8,382.143 Units of IDFC Cash Fund Growth Direct Plan	1,89,98,308	-	-
c) 1,91,909.848 Units of ICICI Prudential Liquid Fund Growth	5,28,55,561	-	-
d) 11,601.425 Units of Reliance Liquid Fund Direct Plan Growth Plan option	5,29,24,412	-	-
Total current Investments	**14,05,47,485**	-	-
Aggregate of quoted investments and market value thereof	**14,05,47,485**	-	-

Note 7A : Cash and Bank Balances - Cash and Cash Equivalents

Particulars	As at		
	March 31, 2019	March 31, 2018	April 1, 2017
	Amount	Amount	Amount
Balances with Banks			
in current accounts	65,52,713	6,67,846	2,20,202
in deposit accounts	-	-	-
Cash on hand	10,540	-	-
Total Cash and cash equivalents	**65,63,253**	**6,67,846**	**2,20,202**

Note 7B : Other Bank Balances

Particulars	As at		
	March 31, 2019	March 31, 2018	April 1, 2017
	Amount	Amount	Amount
Fixed Deposits with bank	5,26,51,127	-	-
Total	**5,26,51,127**	-	-

8. Current tax assets (net)

Particulars	As at		
	March 31, 2019	March 31, 2018	April 1, 2017
	Amount	Amount	Amount
Advance income tax (net of provision for income tax)	3,01,693	-	-
Total	**3,01,693**	-	-

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Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value				Accumulated depreciation/amortisation				Net carrying amount
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	As at 31 March 2019	As at 31 March 2019
Tangible assets:									
Own assets:									
Land	-	3,51,89,544	-	3,51,89,544	-	-	-	-	3,51,89,544
Computers	72,373	6,43,616	-	7,15,989	45,711	2,19,259	-	2,64,970	4,51,019
Total	72,373	3,58,33,160	-	3,59,05,533	45,711	2,19,259	-	2,64,970	3,56,40,563
Capital work-in progress	-	6,38,12,919	-	6,38,12,919	-	-	-	-	6,38,12,919
Intangible assets under development	-	51,14,472	-	51,14,472	-	-	-	-	51,14,472

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Note 2.1 : Property, Plant and Equipment

Particulars	Gross carrying value				Accumulated depreciation/amortisation				Net carrying amount
	Deemed As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	As at 31 March 2018	As at 31 March 2018
Tangible assets:									
Own assets:									
Computers	72,373	-	-	72,373	-	45,711	-	45,711	26,662
Total	72,373	-	-	72,373	-	45,711	-	45,711	26,662
Capital work-in progress	-	-	-	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-	-	-	-

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Note 9 : Equity share capital

Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Authorised share capital: 3,25,00,000 (2018 : 1,36,00,000 and 2017 : 10,000) equity shares of Rs. 10/- each	32,50,00,000	13,60,00,000	1,00,000
Total	**32,50,00,000**	**13,60,00,000**	**1,00,000**
Issued and subscribed capital: 3,25,00,000 (2018 : 10,000 and 2017 : 10,000) equity shares of Rs. 10/- each fully paid	32,50,00,000	1,00,000	1,00,000
Total	**32,50,00,000**	**1,00,000**	**1,00,000**

Details of shares held by each shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Astra Microwave Products Limited			
Number of shares	1,62,50,000	1,000	1,000
% of holding of equity shares	50.00%	10.00%	10.00%
Rafael Advanced Defense Systems Ltd			
Number of shares	1,59,25,000	-	-
% of holding of equity shares	49.00%	-	-
B. Malla Reddy			
Number of shares	-	9,000	9,000
% of holding of equity shares	-	90.00%	90.00%

Movement in equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Number of shares at the beginning of the year	10,000	10,000	10,000
Add: Number of shares issued and subscribed during the year	3,24,90,000	-	-
Number of shares at the end of the year	**3,25,00,000**	**10,000**	**10,000**

Terms and rights attached to equity shares:

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 10 : Other equity

Particulars	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Reserves and surplus:			
Retained earnings	(62,00,970)	(1,84,916)	(1,05,606)
Total	**(62,00,970)**	**(1,84,916)**	**(1,05,606)**

Retained earnings	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Opening balance	(1,84,916)	(1,05,606)	(1,05,606)
Add: Net profit for the year	(60,16,054)	(79,310)	-
Cosing balance	**(62,00,970)**	**(1,84,916)**	**(1,05,606)**

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Note 11: Trade Payables

Particulars	As at		
	March 31, 2019 Amount	March 31, 2018 Amount	April 1, 2017 Amount
Dues to micro enterprises and small enterprises (Refer below)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	7,65,227	1,02,195	29,616
Total	**7,65,227**	**1,02,195**	**29,616**

The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2019 Amount	March 31, 2018 Amount	April 1, 2017 Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

Note 12: Other financial liabilities

Particulars	As at		
	March 31, 2019 Amount	March 31, 2018 Amount	April 1, 2017 Amount
Capital creditors	16,63,832	-	-
Retention monies	4,46,725	-	-
Total	**21,10,557**	-	-

Note 13: Other current liabilities

Particulars	As at		
	March 31, 2019 Amount	March 31, 2018 Amount	April 1, 2017 Amount
Payroll taxes payable	18,09,643	98,710	78,062
Statutory taxes payable	2,55,448	4,244	3,932
Employee payable	12,51,256	7,27,745	2,95,071
Total	**33,16,347**	**8,30,699**	**3,77,065**

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Note 14: Revenue from Operations

Particulars	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
Sale of Services	2,32,64,894	-
Total	**2,32,64,894**	-

Note 15: Other Income

Particulars	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
Interest income from financial assets at amortised cost	30,16,930	-
Net gain on sale of current investments	38,82,043	-
Net gain on financial assets mandatorily measured at Fair Value through profit and loss	75,65,442	-
Total	**1,44,64,415**	-

Note 16: Employee benefit expenses

Particulars	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
Salaries and other benefits	3,31,86,919	-
Staff welfare expenses	12,512	-
Total	**3,31,99,431**	-

Note 17: Depreciation and amortisation expense

Particulars	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
Depreciation of property, plant and equipment	2,19,259	45,711
Total	**2,19,259**	**45,711**

Note 18: Other expenses

Particulars	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
Travelling and conveyance	21,84,988	-
Printing and stationery	34,152	-
Telephone and Communication charges	22,854	-
Operating lease rent	7,20,480	-
Insurance	2,62,944	-
Rates and taxes	1,29,844	-
Auditors remuneration	1,75,000	29,500
Legal and professional charges	76,69,857	-
Repairs and maintenance of other assets	1,96,752	-
Miscellaneous expenses	2,35,104	4,099
Security charges	1,22,928	-
Bank charges and commission	35,612	-
Foreign exchange fluctuations	13,35,271	-
Total	**1,31,25,786**	**33,599**

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All amounts in INR, unless otherwise stated

Note No: 19: Reconciliation of tax expenses and accounting profit multiplied by tax rate:

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Profit / (loss) before income tax expense	(88,15,167)	(79,310)
Income tax rate	-	-
Income tax expense	-	-
Deferred tax	27,99,113	-
Income tax expense	27,99,113	-

Note 20: Earnings Per Share

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
Profit / (loss) after tax	(60,16,054)	(79,310)
No. of Equity Shares outstanding at the beginning of the year	10,000	10,000
Weighted Average No. of Equity Shares issued during the period	2,52,79,890	-
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	2,52,89,890	10,000
Face value per share	10	10
Earnings per share - basic / diluted (in Rs.)	(0.24)	(7.93)

Note: There are no dilutive potential equity shares outstanding during the year

Note 21: Payment to auditor

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Amount	Amount
To statutory auditors		
-Statutory Audit fee	1,00,000	25,000
-Tax Audit fee	75,000	-
Total	1,75,000	25,000

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Note 22: Segment Reporting

Particulars	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
The Company's business activities falls with in a single segment		
A) Geographical Segment Revenue by location of customers		
Revenue from domestic customers	-	-
Revenue from foreign customers	2,32,64,894	-
B) Geographical Segment Assets		
Non-current assets other than deferred tax assets located in India	11,68,84,424	1,35,162
Non-current assets other than deferred tax assets located outside India	-	-
C) Geographical Segment - Major customers		
Total amount of revenue from each major customer From Rafael Advanced Defense Systems Ltd	2,32,64,894	-

Note 23: Related Party Disclosure :

A. Name of related parties and nature of relationships:

Names of related parties	Description of relationship
Astra Microwave Products Limited	JV Cpmpany
Rafael Advanced Defense Systems Ltd	JV Cpmpany
Key Managerial Persons (KMP)	
MALLA REDDY BHUMIREDDY	Director
SONNAPUREDDY GURUNATHA REDDY	Director
MARAM VENKATESHWAR REDDY	Director
YOAV WERMUTH	Director
AVISAR RATH	Director
BESTHA ROOPENDRA PRASAD	Company Secretary

B. Details of transactions during the year:

Name of the related parties	Nature of transactions	Year ended March 31, 2019 Amount	Year ended March 31, 2018 Amount
Rafael Advanced Defense Systems Ltd	Sale of services	2,32,64,894	-
Astra Microwave Products Limited	Rent paid to Astra	5,50,800	-
	Amount paid to Astra for purchase of Land	3,31,66,378	-
	Prof charges paid to Astra	69,65,857	-
	Joint venture expenses reimbursed by Astra	11,03,152	39,36,810
BESTHA ROOPENDRA PRASAD	Company Secretary's Remuneration	4,70,207	-

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C. Details of outstanding balances as at the year end receivable/(payable):

Name of the related parties	Nature of balance	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 1, 2017 Amount
Astra Microwave Products Limited	Rent payable	65,530	-	-

Note 24 :Financial instruments and risk management - Fair values

The management assessed that trade receivables, cash and cash equivalents, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Financial instruments by category

I. Financial Assets :

Particulars	As at March 31, 2019 Carrying Value	As at March 31, 2019 Fair Value	As at March 31, 2018 Carrying Value	As at March 31, 2018 Fair Value	As at April 1, 2017 Carrying Value	As at April 1, 2017 Fair Value
At fair value through profit and loss						
Investments - Current	140547485	140547485	-	-	-	-
At Amortised Cost						
Financial assets - Non Current	634500	634500	108500	108500	1,08,500	1,08,500
Financial assets - Current	59214381	59214381	667846	667846	2,20,202	2,20,202
Grand Total	20,03,96,366	20,03,96,366	7,76,346	7,76,346	3,28,702	3,28,702

II. Financial Liabilties :

Particulars	As at March 31, 2019 Carrying Value	As at March 31, 2019 Fair Value	As at March 31, 2018 Carrying Value	As at March 31, 2018 Fair Value	As at April 1, 2017 Carrying Value	As at April 1, 2017 Fair Value
At Amortised Cost						
Financial Liabilities - Current	28,75,784	28,75,784	1,02,195	1,02,195	29,616	29,616
Grand Total	28,75,784	28,75,784	1,02,195	1,02,195	29,616	29,616

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities measured at fair value after initial recognition.

Particulars	Date of valuation	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments - Current	March 31, 2019	14,05,47,485	-	-
	March 31, 2018	-	-	-
	April 1, 2017	-	-	-

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Note 25: Commitments and contingent liabilities

Particulars	As at		
	March 31, 2019	March 31, 2018	April 1, 2017
	Amount	Amount	Amount
Estimated amount of capital contracts remaining to be executed and not provided for	5,93,33,804	-	-

Note 26: Financial Risk Management

The Company is exposed to market risk (fluctuations in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings and trade receivables.

The analysis exclude the impact of movements in market variables on the carrying values of the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables and trade/other receivables. The risks primarily relate to fluctuations in US Dollar and EURO against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Increase/(decrease) in profit before tax	
	31 March 2019	31 March 2018
Unhedged USD exposure (in INR)	-	-
Change in USD	-	-
5% increase	-	-
5% decrease	-	-
Unhedged EURO exposure (in INR)		
Change in EURO	-	-
5% increase	-	-
5% decrease		

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars and EURO, where the functional currency of the entity is a currency other than US dollars and EURO.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

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iii) Price risk

The Company invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. The following table demonstrate the sensitivity to a reasonably possible change in the price of the investments before tax:

Particulars	Increase/(decrease) in	
	31 March 2019	31 March 2018
Change in price:		
increase by 1%	14,05,475	-
decrease by 1%	(14,05,475)	-

The assumed increase/decrease for sensitivity analysis is based on the currently observable market environment

B) Credit risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

Regarding credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses if any.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level accordance with practice and limits set by the company.

(i) Maturities of Financial Liabilities

Contractual maturities of financial liabilities as at :

Particulars	As at March 31, 2019		As at March 31, 2018	
	0-12 Months	Above 12 months	0-12 Months	Above 12 months
	Amount	Amount	Amount	Amount
Trade Payable	7,65,227	-	1,02,195	-
Other financial liabilities	21,10,557	-	-	-
Grand Total	28,75,784	-	1,02,195	-

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Note 27 : Capital management

For the purpose of the capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2019	31 March 2018	01-Apr-17
Borrowings			
Current - Short term borrowings	-	-	-
Non current - Long term borrowings	-	-	-
Current maturities of long term borrowings	-	-	-
Debt	-	-	-
Equity			
Equity share capital	32,50,00,000	1,00,000	1,00,000
Other equity	(62,00,970)	(1,84,916)	(1,05,606)
Total capital	**31,87,99,030**	**(84,916)**	**(5,606)**
Gearing ratio in % (Debt/ capital)	0%	0%	0%

In order to achieve this overall objective, the Company, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

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All amounts in INR, unless otherwise stated

Note 28: First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

(ii) Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2017.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind As shall be consistent with the estimates made for the same date in accordance with previous GAAP(after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(ii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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C. Reconciliation between previous GAAP and Ind AS (as at 31 March 2018 and 1 April 2017)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods.

The previous GAAP figures has been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2018 and 1 April 2017

Particulars	31 March 2018	1 April 2017
Total equity(shareholder's funds) as per previous GAAP	(84,916)	(5,606)
Adjustments	-	-
Total adjustments	-	-
Total equity as per Ind AS	(84,916)	(5,606)

Reconciliation of total comprehensive income for the year ended 31 March 2018

	31 March 2018
Net Profit after under previous GAAP	(79,310)
Impact on account of IND AS	-
Total adjustments	-
Net Profit as per Ind AS	(79,310)

Reconciliation of cash flows for the year ended 31 March 2018

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	4,47,644	-	4,47,644
Net cash flow from investing activities	-	-	-
Net cash flow from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	4,47,644	-	4,47,644
Cash and cash equivalents as at 1 April 2017	2,20,202	-	2,20,202
Cash and cash equivalents as at 31 March 2018	6,67,846	-	6,67,846

As per our Report of even date
For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration Number: 000092S

AMAR & RAJU HYDERABAD CHARTERED ACCOUNTANTS

(G. AMARANTHA REDDY)
Partner
Membership Number: 019711

Place : Hyderabad
Date : 30.04.2019

For and on behalf of the Board of Directors

(B. MALLAREDDY)
Director
DIN : 00003154

(S. GURUNATHA REDDY)
Director
DIN : 00003828

(B. ROOPENDRA PRASAD)
Company Secretary

Astra Rafael Comsys Private Limited Hyderabad