

BHAVYABHANU ELECTRONICS PRIVATE LIMITED
SECOND ANNUAL REPORT

BOARD OF DIRECTORS

Mr. R. Narasimhan
Mr. O.V.Ramana Reddy
Mr. T. Anjaneyulu

REGISTERED OFFICE

West Block, Ground Floor,
Plot No. 18 to 21
Hardware Park, Imarath Kancha,
Raviryala Village, Maheshwaram Mandal
Ranga Reddy, Telangana – 500 005

BANKERS

HDFC Bank Limited

AUDITORS

M/s. Amar & Raju
Chartered Accountants
Flat No: 201, KOR Residency,
H.No:8-3-966/16, Road No: 3,
Nagarjuna Nagar, Srinagar Colony
Hyderabad – 500 073

NOTICE

Notice is hereby given that the Second Annual General Meeting of the Members of **BHAVYABHANU ELECTRONICS PRIVATE LIMITED** will be held on Wednesday, 29th day of July, 2015 at the Registered Office of the Company situated at West Block, Ground Floor, Plot No. 18 to 21, Hardware Park, Imarath Kancha, Raviryala Village, Maheshwaram Mandal, Ranga Reddy, Telangana – 500 005 at 10.00 a.m to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet of the Company as at 31st March, 2015 and the Profit and Loss for the period ended as on that date together with the schedules and notes thereon and the Directors and Auditors Report thereof.
2. To appoint a Director in place of Mr. O.V. Ramana Reddy (DIN: 06650117), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regards, to consider and if through fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Amar & Raju., Chartered Accountants (Reg. No: 000092S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT the decision to pay a Remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) to M/s. DZR & Co., the Cost Auditors of the Company for the year 2015-16, as recommended & Approved by the Board of Directors, be and is hereby ratified.”

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

By order of the Board
For Bhavyabhanu Electronics Private Limited

Place: Hyderabad
Date: 30.04.2015



O. V. Ramana Reddy
Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/herself and such proxy need not be a member of the Company.
2. The Proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

At the Board Meeting held on the 30th April, 2015, after considering the Board of Directors have appointed M/s. DZR & Co., as the Cost Auditors of the Company for the year 2015-16 on a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only). Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board commends the Ordinary Resolution set out at item No.4 of the Notice for approval by the members.

DIRECTORS' REPORT

To
The Members of the Company

Your Directors take pleasure in presenting the Second Annual Report on business of the Company along with the audited financial statements of the company for the period ended 31st March, 2015.

Financial Highlights:

Particulars	Amount in Rupees	
	March, 31 2015	March, 31 2014
Total Revenue	1,513,426,712	89,458
Profit before finance cost, depreciation and tax expense	47,665,685	(1,149,485)
Finance cost	48,50,163	-
Profit before depreciation and tax expense	42,815,522	(1,149,485)
Depreciation	50,82,155	1,62,153
Profit before tax expense	37,733,367	(1,311,638)
Tax expenses	12,379,555	405,296
Net Profit for the year	25,353,811	(906,342)
Profit brought forward from earlier year	(906,342)	-
Profit available for appropriation	24,447,469	(906,342)
Appropriations:		
Dividend (Including Tax on Dividend)	-	-
Transfer to general reserve	-	-
Transfer to capital redemption reserve	-	-
Surplus in Statement of Profit and Loss		

Business Review & Future Outlook

During the year, the Company has carried out Printed Circuit Board assemblies (PCBA) based on the order received from M/s.Astra Microwave Products Ltd., (holding company). These PCBA's are produced / assembled as per statement of work defined by the holding company. Your directors are confident of increasing the activities during the financial year 2015-16.

The Company has potential to explore business opportunities especially in the export market on its own independent of captive consumption requirements and other business avenues like Medical, Automotive Electronics and Telecom Business line of segments in addition to the defence sectors.

Dividend

The Board has not recommended any dividend for the year.

Material Changes and commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

Deposits

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Directors

Mr. O.V. Ramana Reddy will retire by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment Director.

Directors' Responsibility Statement pursuant to Section 134(5) of the Companies Act, 2013

Your Directors confirm that-

- a) In the preparation of the accounts for the financial year ended 31st March, 2015 the applicable accounting standards have been followed;
- b) The accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Loss of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.
- e) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

Auditors

M/s Amar & Raju, Chartered Accountants, Hyderabad, Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for reappointment.

They have intimated their consent and willingness to be re-appointed as the Statutory Auditors of the Company. They have also intimated that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. The Board recommends their appointment.

Auditor's Report

There are no qualifications or reservations or adverse remarks in the Auditors' Report which require any clarification/ explanation.

Particulars of Remuneration

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows-

Company has not paid any remuneration to its Managerial personnel and there are no employees who fall under the provisions contained in Rule 5(2) and Rule 5(3) of the aforementioned Rules.

Number of Meetings of the Board:

The Company had held six Board Meetings during the financial year under review.

Particulars of Loans, Guarantees or Investments under Section 186:

Your Directors confirm that there were no loans, guarantees or investments made by the Company under section 186 of the Act during the year under review and hence the said provision is not applicable.

Contracts and Arrangements with Related Parties:

All transactions entered by the Company with Related parties were in the ordinary course of business and at arm's length pricing basis. Your directors draw attention of the members to Note 2.30 to the financial statement which sets out related party disclosures.

Extract of Annual Return:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure-A and is attached to this report.

Order of Court:

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations in future.

Corporate Social Responsibility:

The Company does not fall under the criteria specified in Section 135 of the Act and hence no policy was developed by the company on Corporate Social Responsibility.

Conservation of Energy:

The management has taken adequate measures to conserve the energy wherever possible.

Technology Absorption: Nil

During the period under review, the Company has not absorbed any new Technology. No research and development activities are being carried out by the Company.

Particulars of foreign exchange earnings and outgo

There is no earning of Foreign Exchange but Company has made expenditure as under:

Foreign Exchange outgo and earnings

Particulars	Amount in Rupees	
	March, 31 2015	March, 31 2014
Value of imported raw-materials on CIF basis	1,592,748,536	113,925,479
Value of imported capital goods on CIF basis	23,526,108	2,422,106
CIF value of other Imports	1,144,922	35,018

Particulars of Employees

During the year under review, there were no employees drawing remuneration in excess of the limits laid down in Section 134 of the Companies Act, 2013 read with the Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

Acknowledgements

Your Directors place on record their appreciation for the assistance and co-operation extended by the Bankers, customers, vendors and various State/Central Government Authorities. Your Directors also thank all the employees for their valuable support and confidence in the company.

For and on behalf of the Board

Place: Hyderabad
Date: 30.04.2015


R. Narasimhan
Director


O. V. Ramana Reddy
Director

Annexure - A to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U32209TG2013PTC089834
ii)	Registration Date	03 rd September, 2013
iii)	Name of the Company	Bhavyabhanu Electronics Private Limited
iv)	Category / Sub-Category of the Company	Private Company
v)	Address of the Registered office and contact details	West Block, G.Floor, Plot No.18 to 21, Imarath Kancha, Hardware Park, Raviryala (V), Maheshwaram Mandal, Telangana- 500005 Tel: 040 30124950 Fax: 040 30124951 Email:info@bhavyabhanu.com
vi)	Whether listed company (Yes / No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main Products/services	NIC Code of the Products/services	% to total turnover of the company
1	To manufacture, produce, process, procure, fabricate, undertake Automatic Assembly Services (SMT), design, develop, assemble, tabulate, purchase, sell, import, export and otherwise to deal in all kinds of Electronic machinery, components, spares, consumables, gadgets, accessories and other electronic parts and to supply, install, service all electronic machinery and equipment and also to render technical, commercial, management and other types of consultancy services in the field of electronic machinery and equipment. To enter into collaboration agreements with any national and international organisations.	3652	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address Of The Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	Astra Microwave Products Limited	L29309TG199 1PLC013203	Holding	99.98	Sec 2(46)

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public shareholding (B)=B1 +B2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	1,00,000	1,00,000	100.00	Nil	1,00,000	1,00,000	100.00	Nil

ii. Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. O.V. Ramana Reddy	01	0.001	Nil	01	0.001	Nil	Nil
2	Mr. T. Anjaneyulu	01	0.001	Nil	01	0.001	Nil	Nil
	Total	02	0.002	Nil	02	0.002	Nil	Nil

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	02	0.002%	02	0.002%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	No Change	No Change	-	-
3	At the end of the year			02	0.002%

iv. **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	99,998	99.98	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	99,998	99.98	Nil	Nil

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors				
1	Mr. O.V. Ramana Reddy				
2	At the beginning of the year	01	0.001	Nil	Nil
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
4	At the end of the year			01	0.001
1	Mr. T. Anjaneyulu				
2	At the beginning of the year	01	0.001	Nil	Nil
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
4	At the end of the year			01	0.001

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
* Addition	2,21,81,506	--	--	2,21,81,506
*Additions-Net increase in WC borrowings	1,32,59,543	--	--	1,32,59,543
* Reduction	42,11,178	--	--	42,11,178
Net Change	3,12,29,871	--	--	3,12,29,871
Indebtedness at the end of the financial year				
i) Principal Amount	3,10,37,323	--	--	3,10,37,323
ii) Interest due but not paid	1,92,548	--	--	1,92,548
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	3,12,29,871	--	--	3,12,29,871

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rupees)

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
1	Gross salary	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act	NA	NA	NA

B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Name of Directors			Total Amount
1	1. Independent Directors	Nil	Nil	Nil	Nil
	Fee for attending board /committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil

2	2.Other Non-Executive Directors	Mr. O.V. Ramana Reddy	Mr. T. Anjaneyulu	Mr. R. Narasimhan	
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
3	Total (2)	Nil	Nil	Nil	Nil
4	Total (B)=(1+2)	Nil	Nil	Nil	Nil
5	Total Managerial Remuneration	Nil	Nil	Nil	Nil
6	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

C. Remuneration to key managerial personnel other than MD/Manager/WTD

S. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Place: Hyderabad
Date: 30.04.2015


R. Narasimhan
Director


O. V. Ramana Reddy
Director

INDEPENDENT AUDITOR'S REPORT

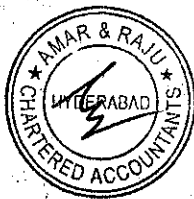
TO The Members of
BHAVYABHANU ELECTRONICS PRIVATE LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **BHAVYABHANU ELECTRONICS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

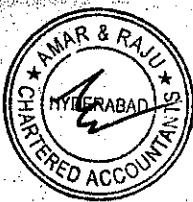
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2015, and its profit and its cash flows for the year ended on that date:

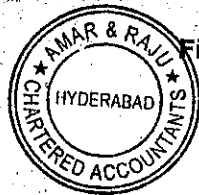
Report on Other Legal and Regulatory Requirements:

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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 purpose of our audit;
- b in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d In our opinion, the aforesaid 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 written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. There are no material foreseeable losses on long-term contracts including derivative contracts, under any law or notified accounting standards.
 - iii. The Company does not have any amounts, required to be transferred, to the Investor Education and Protection Fund.

Place: Hyderabad
Date: 30.04.2015



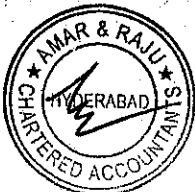
For AMAR & RAJU
CHARTERED ACCOUNTANTS
Firm Registration No: 000092S


(G. AMARANATHA REDDY)
Partner
Membership No: 019711

Annexure to Auditor's Report
BHAVYABHANU ELECTRONICS PRIVATE LIMITED
Referred to in Paragraph 1 of our report of even date

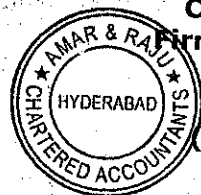
- i) a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, 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.
- ii) a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/Sec.189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to the information and explanations given to us, maintenance of cost records under Section 148 (1) of the Companies Act, 2013 is not applicable to the Company for the year under audit.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and other statutory dues applicable to it.

According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and other statutory dues applicable to it were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess, which have not been deposited on account of any dispute.
- c) According to the information and explanations given to us the Company does not have any amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- viii) Since the Company is registered for a period less than five years, the provisions of Clause (viii) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- ix) 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 dues to banks.
- x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi) The term loans raised during the year have been applied for the purpose for which they were raised.
- xii) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

Place: Hyderabad
Date: 30.04.2015



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


G. AMARANATHA REDDY)
Partner
Membership No: 019711

BHAVYABHANU ELECTRONICS PRIVATE LIMITED

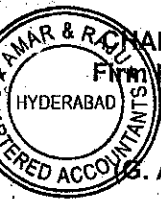
BALANCE SHEET AS AT 31st MARCH, 2015

Amount in Rupees

Particulars	Note No	AS AT 31.03.2015		AS AT 31.03.2014	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2.1	1,000,000		1,000,000	
(b) Reserves and Surplus	2.2	<u>24,447,469</u>	25,447,469	<u>(906,342)</u>	93,658
(2) Non-Current Liabilities					
(a) Long-term Borrowings	2.3	11,111,120		-	
(b) Deferred Tax Liabilities / (Asset)	2.4	865,236		<u>(405,296)</u>	
(c) Long-term Provisions	2.5	<u>1,489,632</u>	13,465,988	-	(405,296)
(3) Current Liabilities					
(a) Short-term Borrowings	2.6	13,259,543		-	
(b) Trade Payables	2.7	505,220,617		187,410,779	
(c) Other Current Liabilities	2.8	16,361,453		2,217,406	
(d) Short-term Provisions	2.9	<u>1,545,217</u>	536,386,830	<u>286,602</u>	189,914,787
Total			<u>575,300,287</u>		<u>189,603,149</u>
II. Assets					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible Assets	2.10	23,921,738		3,972,068	
(b) Long-term Loans and Advances	2.11	<u>333,378</u>	24,255,116	<u>16,570,846</u>	20,542,914
(2) Current Assets					
(a) Inventories	2.12	400,659,338		119,775,194	
(b) Trade Receivables	2.13	-		-	
(c) Cash and Bank Balances	2.14	13,274,270		26,689,347	
(d) Short-term Loans and Advances	2.15	136,017,519		22,515,181	
(e) Other Current Assets	2.16	<u>1,094,044</u>	551,045,171	<u>80,513</u>	169,060,235
Total			<u>575,300,287</u>		<u>189,603,149</u>
Significant Accounting Policies	1				
Notes on Accounts	2				

As per our report of even date

For and on behalf of the Board



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

(Signature)
S. AMARANATHA REDDY
Partner
Membership No: 019711

(Signature)
(O. V. RAMANA REDDY)
Director

(Signature)
(T. ANJANEYULU)
Director

(Signature)
(R. NARASIMHAN)
Director

Place: HYDERABAD
Date : 30.04.2015

BHAVYABHANU ELECTRONICS PRIVATE LIMITED

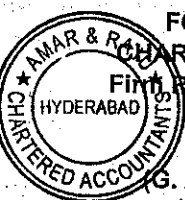
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Amount in Rupees

Particulars	Note No	Year ended 31.03.2015	Period ended 31.03.2014
I Revenue from Operations	2.17	1,624,029,154	-
Less: Excise Duty		(111,735,569)	-
		<u>1,512,293,585</u>	-
II Other Income	2.18	1,133,127	89,458
III Total Revenue (I +II)		<u>1,513,426,712</u>	<u>89,458</u>
IV Expenses:			
(a) Cost of Materials Consumed	2.19	1,557,889,523	25,948,495
(b) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.2	(226,866,663)	(31,110,896)
(c) Employee Benefit Expense	2.21	20,393,194	2,659,352
(d) Financial Costs	2.22	4,850,163	
(e) Depreciation and Amortization Expense	2.10	5,082,155	162,153
(f) Other Expenses	2.23	114,344,973	3,741,992
Total Expenses		<u>1,475,693,345</u>	<u>1,401,096</u>
V Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		37,733,367	(1,311,638)
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items and Tax (V - VI)		37,733,367	(1,311,638)
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII - VIII)		37,733,367	(1,311,638)
X Tax Expense:			
(1) Current Tax		(11,109,023)	-
(2) Deferred Tax	2.4	(1,270,532)	405,296
XI Profit / (Loss) for the Period from Continuing Operations (IX - X)		<u>25,353,811</u>	<u>(906,342)</u>
XII EPS: (In Rupees) (Face Value Rs.10/-) Basic and Diluted EPS	2.24	253.54	64.11
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date

For and on behalf of the Board



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

G. Amaranatha Reddy
(G. AMARANATHA REDDY)
Partner

Membership No: 019711

O. V. Ramana Reddy
(O. V. RAMANA REDDY)
Director

T. Anjaneyulu
(T. ANJANEYULU)
Director

R. Narasimhan
(R. NARASIMHAN)
Director

Place: HYDERABAD

Date : 30.04.2015

BHAVYABHANU ELECTRONICS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Amount in Rupees

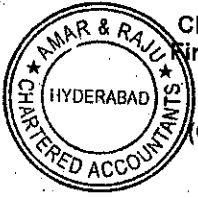
	31.03.2015	
	Rs.	Rs.
A) Cash Flow from Operating Activities:		
Net Profit Before Tax, Extra-ordinary & Exceptional Items		37,733,367
Adjustments for:		
Depreciation	5,082,155	
Interest Paid	4,850,163	
Interest Received	(1,133,127)	
Income Tax Paid	(10,113,276)	
Operating Profit Before Working Capital Changes		(1,314,085)
Adjustments for:		
Trade & Other Receivables	(114,685,215)	
Trade Payable	328,223,656	
Inventories	(280,884,144)	
Net Cash from Operating Activities		(67,345,703)
B) Cash Flow from Investing Activities:		(30,926,421)
Purchase of Fixed Assets	(9,837,959)	
Interest received on deposits	119,595	
Net Cash Used in Investing Activities		(9,718,364)

CASH FLOW STATEMENT

C) Cash Flow from Financing Activities:		
Increase / (decrease) in Working Capital Borrowings		
Term Loans Taken	13,259,543	
Term Loans Repaid	20,000,000	
Interest Paid	(2,222,220)	
Net Cash Used in Financing Activities	(4,657,615)	
Net Increase in Cash & Cash Equivalents (A-B-C)		26,379,708 (14,265,077)
Cash & Cash Equivalents at the Beginning		
Cash on Hand	107,686	
Balance with Sch., Banks	14,934,060	15,041,746
Cash & Cash Equivalents at the End		
Cash on Hand	23,805	
Balance with Sch., Banks	753,064	776,669

As per our report of even date

For and on behalf of the Board



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

(G. AMARANATHA REDDY)
 Partner
 Membership No: 019711

O.V. Ramana Reddy
(O. V. RAMANA REDDY)
 Director

T. Anjaneyulu
(T. ANJANEYULU)
 Director

R. Narasimhan
(R. NARASIMHAN)
 Director

Place: HYDERABAD

Date : 30.04.2015

BHAVYABHANU ELECTRONICS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of Financial Statements:

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

b) Fixed Assets:

Fixed Assets are valued at historical cost less depreciation. Attributable costs (excluding CENVAT & VAT) and expenses including borrowing costs for bringing the respective assets to working condition for their intended use are capitalized.

c) Depreciation:

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

d) Valuation of Inventories:

Closing stock of raw materials, finished and semi-finished goods are valued at lower of cost and net realisable value. Cost has been ascertained on Weighted Average basis.

e) Revenue Recognition:

Sale is recognized on dispatch of products and is inclusive of Excise Duty and Sales Tax

Interest income is recognized on accrual basis.

SIGNIFICANT ACCOUNTING POLICIES

f) Foreign Exchange transactions:

All foreign currency transactions were initially recognized at the rate on the date of transaction.

Exchange differences arising on the settlement of monetary items were recognized as income/expense.

Monetary items and contingent liabilities as on the date of Balance Sheet are stated at the closing rate/realistic rate.

g) Employee Benefits:

Short-term employee benefits are recognised as a expense at the undiscounted amount in the Profit and Loss Statement of the year in which the related service is rendered

Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss Statement for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Statement.

h) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

i) Cash Flow Statement:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI

Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

SIGNIFICANT ACCOUNTING POLICIES

j) Accounting for Taxes on Income:

Current Tax: Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date. The deferred tax assets are recognised only to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) Impairment of Assets:

The Management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

l) Provisions and Contingent Liabilities and Contingent Assets:

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

m) Operating Lease:

Operating Lease rent payments are recognized as an expense in the Profit and Loss Account of the year to which they relate

n) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

o) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

BHAVYABHANU ELECTRONICS PRIVATE LIMITED

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015:

2.1 SHARE CAPITAL

Particulars	Amount in Rupees	
	31.03.2015	31.03.2014
A) Authorised Share Capital:		
Equity Shares, Rs.10/- Par Value		
1,00,000 Equity Shares	<u>1,000,000</u>	<u>1,000,000</u>
B) Issued, Subscribed and Fully Paid-up Share Capital:		
Equity Shares, Rs.10/- Par Value		
1,00,000 Equity Shares fully paid-up	<u>1,000,000</u>	<u>1,000,000</u>
Total	<u>1,000,000</u>	<u>1,000,000</u>

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

Reconciliation of the Number of Shares Outstanding:

	As At	
	31.03.2015	31.03.2014
Shares outstanding at the beginning of the year	100,000	-
Add: Shares Issued during the year	-	100,000
Add: Shares Issued on Exercise of Employee Stock Options	-	-
Add: Bonus Shares Issued	-	-
Less: Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>100,000</u>	<u>100,000</u>

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;

- The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES ON ACCOUNTS

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

Shares held by Holding Company		
Number of shares held by Astra Microwave Products Limited	99,998	99,998

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013

Shares in the Company held by each Share Holder holding more than 5% shares

	As At	
	31.03.2015	31.03.2014
No of shares	No of shares	
%	%	
1) Astra Microwave Products Limited	99,998	99,998
	100.00%	100.00%

Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule III to the Companies Act, 2013

Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment;

NIL NIL

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule III to the Companies Act, 2013

a) Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash in the last five years immediately preceeding the Balance Sheet date

NIL NIL

b) Aggregate number of bonus shares (Equity) issued in the last five years immediately preceeding the Balance Sheet date

NA NA

c) Aggregate number of equity shares bought back in the last five years immediately preceeding the Balance Sheet date

NA NA

Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule III to the Companies Act, 2013

Securities convertible into equity / preference shares issued

NIL NIL

NOTES ON ACCOUNTS

2.2 RESERVES & SURPLUS

Particulars	As At	
	31.03.2015	31.03.2014
Surplus:		
Opening balance	(906,342)	
Add / (Less): Net Profit / (Loss) after Tax transferred from Statement of Profit & Loss	25,353,811	(906,342)
Total	<u>24,447,469</u>	<u>(906,342)</u>

NOTES ON ACCOUNTS

2.3 LONG-TERM BORROWINGS

Particulars	As At	
	31.03.2015	31.03.2014
Secured Long-Term Borrowings:		
Term Loans: From Banks:		
Term Loan from HDFC Bank #	11,111,120	-
Repayment Terms:		
32 Installments (monthly) of Rs.5,55,555/- each		
Rate of interest: 12.60%		
Nature of security:		
First exclusive charge on the fixed assets of the company financed by HDFC Bank and Second Charge on the Company's entire current assets and Corporate Guarantee of Astra Microwave Products Ltd.,		
Total	<u>11,111,120</u>	<u>-</u>
Aggregate amount of loans Guaranteed by Directors		
Amount of continuing default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL
# Amount repayable with in next one year is shown separately under the head "Other Current Liabilities" (Note No: 2.8)		

NOTES ON ACCOUNTS

2.4 DEFERRED TAX LIABILITIES (NET)

Particulars	As At	
	31.03.2015	31.03.2014
Deferred Tax Liability	1,348,547	65,433
Less: Deferred tax Asset	(483,311)	(470,729)
Closing balance of Net Deferred Tax Liability / (Asset)	<u>865,236</u>	<u>(405,296)</u>
Less: Opening balance of Net Deferred Tax Liability / (Asset)	(405,296)	-
Effect on Profit and Loss Statement	(1,270,532)	405,296
Deferred Tax Liability represents timing differences in depreciation on fixed assets		
Deferred Tax Assets represents Provision for Gratuity and Leave Encashment, which are allowed on payment basis as per the provisions of the Income Tax Act		

2.5 LONG TERM PROVISIONS

Particulars	As At	
	31.03.2015	31.03.2014
Provision for Employee Benefits:		
Unavailed Leave	942,342	-
Gratuity Obligation	547,290	-
Total	<u>1,489,632</u>	<u>-</u>

NOTES ON ACCOUNTS

2.6 SHORT TERM BORROWINGS

Particulars	As At	
	31.03.2015	31.03.2014
Secured Short-Term Borrowings:		
Repayable on Demand		
From Banks:		
Working Capital Finance from HDFC Bank Limited	13,259,543	-
Nature of security:		
Exclusive Charge on all current assets of the company and Corporate Guarantee of Astra Microwave Products Ltd.,		
Total Secured Short-Term Borrowings	<u>13,259,543</u>	<u>-</u>
Aggregate amount of loans Guaranteed by Directors		
Amount of default as on the balance sheet date in repayment of loans and interest there on	NIL	NIL

NOTES ON ACCOUNTS

2.7 TRADE PAYABLES

Particulars	As At	
	31.03.2015	31.03.2014
Accrued Salaries and other benefits		
Salaries	1,049,334	650,208
For Other Liabilities		
For Supplies	81,611,435	32,781,158
Amounts due to Related Parties:		
Advances from Customers (from Holding Company)	422,559,848	153,979,413
Total	<u>505,220,617</u>	<u>187,410,779</u>

2.8 OTHER CURRENT LIABILITIES

Particulars	As At	
	31.03.2015	31.03.2014
Current maturities of long term borrowings	6,666,660	-
Interest accrued and due on borrowings	192,548	-
For Services & Expenses	541,007	648,947
PF & ESI payable	169,694	114,905
Withholding and Other Taxes Payable	8,780,209	65,739
Creditors for capital goods/works	11,335	1,387,815
Total	<u>16,361,453</u>	<u>2,217,406</u>

2.9 SHORT-TERM PROVISIONS

Particulars	As At	
	31.03.2015	31.03.2014
a) Provision for Employee Benefits:		
Bonus and Incentives	549,470	286,602
b) Others:		
Provision for Income Taxes	995,747	-
Total	<u>1,545,217</u>	<u>286,602</u>

BHAVYABHANU ELECTRONICS PRIVATE LIMITED

NOTES ON ACCOUNTS

2.10 FIXED ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	AS ON 01.04.2014 Rs.	ADDITIONS Rs.	AS ON 31.03.2015 RS.	UP TO 01.04.2014 Rs.	FOR THE PERIOD Rs.	UP TO 31.03.2015 Rs.	AS ON 31.03.2015 Rs.	AS ON 31.03.2014 Rs.
Tangible Assets								
Plant & Machinery	2,802,950	23,942,138	26,745,088	15,016	4,374,380	4,389,396	22,355,692	2,787,934
Air Conditioners	-	31,800	31,800	-	6,608	6,608	25,192	-
Office Equipment	-	48,616	48,616	-	9,149	9,149	39,467	-
Furniture & Fixtures	942,771	996,671	1,939,442	137,557	445,875	583,432	1,356,010	805,214
Computers	388,500	12,600	401,100	9,580	246,143	255,723	145,377	378,920
Total	4,134,221	25,031,825	29,166,046	162,153	5,082,155	5,244,308	23,921,738	3,972,068
Pre. Year Total	-	4,134,221	4,134,221	-	162,153	162,153	3,972,068	-

NOTES ON ACCOUNTS

2.11 LONG-TERM LOANS AND ADVANCES

Particulars	As At	
	31.03.2015	31.03.2014
Unsecured Considered Good		
Advances for capital goods/works	-	16,570,346
Security Deposits	24,500	500
Pre paid expenses	308,878	-
Total	<u>333,378</u>	<u>16,570,846</u>

2.12 INVENTORIES

Particulars	As At	
	31.03.2015	31.03.2014
Raw Materials	142,681,779	88,664,298
Work-in-progress	257,977,559	31,110,896
Total	<u>400,659,338</u>	<u>119,775,194</u>

Mode of valuation of Inventories:
Inventories are valued at lower of cost or net realisable value.
Cost has been arrived on weighted average basis

2.13 TRADE RECEIVABLES

Particulars	As At	
	31.03.2015	31.03.2014
Unsecured Considered Good		
Outstanding for a period exceeding six months	-	-
Others	-	-
Total	<u>-</u>	<u>-</u>

NOTES ON ACCOUNTS

2.14 CASH AND BANK BALANCES

Particulars	As At	
	31.03.2015	31.03.2014
A) Cash and Cash Equivalents:		
Balances with Banks	753,064	14,934,060
Cheques, Drafts on hand	-	-
Cash on Hand	23,605	107,686
Total Cash and Cash Equivalents(A)	<u>776,669</u>	<u>15,041,746</u>
B) Other Bank Balances:		
Balances with Banks	12,497,601	11,647,601
Total Other Bank Balances (B)	<u>12,497,601</u>	<u>11,647,601</u>
Total Cash and Bank Balances (A + B)	<u>13,274,270</u>	<u>26,689,347</u>
Other Bank Balances includes:		
a) Earmarked balances with banks (for unclaimed dividend)	-	-
b) Deposit accounts with more than 12 months maturity	-	-
c) Held as margin money deposits against guarantees	12,497,601	11,647,601

2.15 SHORT TERM LOANS AND ADVANCES

Particulars	As At	
	31.03.2015	31.03.2014
Unsecured Considered Good		
Others		
Advances for Supplies	121,114,734	11,770,997
Advances for Services and Expenses	135,186	68,054
Balance with Revenue Authorities (cenvat credit)	13,817,411	9,997,725
Amount (refund) due from Revenue Authorities	-	8,945
Prepaid Expenses	950,188	669,460
Total	<u>136,017,519</u>	<u>22,515,181</u>

2.16 OTHER CURRENT ASSETS

Particulars	As At	
	31.03.2015	31.03.2014
Interest accrued but not due on Deposits	1,094,044	80,513
Total	<u>1,094,044</u>	<u>80,513</u>

NOTES ON ACCOUNTS

2.17 REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
From Sale of Products	1,624,029,154	-
TOTAL	1,624,029,154	

2.18 OTHER INCOME

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Interest Income	1,133,127	89,458
Total	1,133,127	89,458

NOTES ON ACCOUNTS

2.19 COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
A) Indigenous Raw Material:		
Opening stock of Raw Material	99,232	-
Add: Purchases during the year	<u>14,796,903</u>	<u>316,070</u>
Less: Closing Stock of Raw Material	<u>14,896,135</u>	<u>316,070</u>
Raw Material consumed (A)	<u>12,447,278</u>	<u>99,232</u>
B) Imported Raw Material:		
Opening stock of raw material	88,565,066	-
Add: Purchases during the year	<u>1,597,110,100</u>	<u>114,296,723</u>
Less: Closing Stock of Raw Material	<u>1,685,675,166</u>	<u>114,296,723</u>
Raw Material Consumed (B)	<u>1,545,442,245</u>	<u>88,565,066</u>
Total Raw Material Consumed (A + B)	<u>1,557,889,523</u>	<u>25,948,495</u>
Percentage of imported raw materials consumed to the total consumption	99.20	99.16
Percentage of indigenous raw materials consumed to the total consumption	0.80	0.84

2.20 CHANGES IN INVENTORIES

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Inventories at the end of the period		
Finished Goods	-	-
Work-in-progress	-	-
Total (A)	<u>257,977,559</u>	<u>31,110,896</u>
	<u>257,977,559</u>	<u>31,110,896</u>
Inventories at the beginning of the period		
Finished Goods	-	-
Work-in-progress	-	-
Total (B)	<u>31,110,896</u>	<u>-</u>
	<u>31,110,896</u>	<u>-</u>
Change in Inventories (A - B)	<u>(226,866,663)</u>	<u>(31,110,896)</u>

NOTES ON ACCOUNTS

2.21 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Salaries, Wages & Other Benefits	18,919,312	2,442,579
Contribution to Provident Fund & ESI	1,082,528	161,339
Staff Welfare Expenses	391,354	55,434
Total	<u>20,393,194</u>	<u>2,659,352</u>

2.22 FINANCIAL COSTS

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Interest on Term Loans	2,181,507	-
Interest on Working Capital borrowings	2,668,656	-
Total	<u>4,850,163</u>	<u>-</u>

NOTES ON ACCOUNTS**2.23 OTHER EXPENSES**

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Machinery maintenance	2,558,026	-
Power and Fuel	3,367,254	-
Carriage Inwards	674,514	-
Travelling and Conveyance	321,559	-
Printing and Stationery	332,573	12,620
Communication Costs	7,356	-
Operating Lease Rent	7,461,780	-
Insurance	1,936,707	-
Rates and Taxes excluding taxes on income	418,727	65,742
Auditors Remuneration	224,720	30,000
Legal & Professional Charges	354,577	53,933
Computer & Software Maintenance	20,370	-
Factory Maintenance	741,868	-
Repairs & Maintenance of Other Assets	27,983	-
Miscellaneous Expenses	275,537	144,460
Entertainment & Business Promotion	44,900	-
Security Charges	113,870	-
Bank Charges and Commission	1,370,701	11,818
Sales Tax / VAT	77,334,722	-
Foreign Exchange Fluctuations	16,757,229	3,375,087
Preliminary expenses written off	-	48,332
Total	114,344,973	3,741,992

NOTES ON ACCOUNTS

2.24 EARNINGS PER SHARE

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
No. of Equity Shares outstanding at the beginning of the year	100,000	-
Weighted Average No. of Equity Shares issued during the year	-	14,137
Number of Bonus Shares issued	-	-
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	100,000	14,137
Profit available to share holders (used as numerator for calculating EPS)	25,353,811	(906,342)
Basic & Diluted Earnings Per Share in Rs. (Face Value Rs.10/-)	253.54	(64.11)

NOTES ON ACCOUNTS

2.25 VALUE OF RAW MATERIAL CONSUMED, TURNOVER, OPENING & CLOSING STOCK-IN-TRADE:

Particulars	Year ended 31.03.2015	period ended 31-03-2014
A) Raw-material consumed:		
Semi Conductor devices and other electronic components	1,557,889,523	25,948,495
B) Turnover:		
PCB assemblies and other electronic assemblies	1,624,029,154	-
C) Opening Stock-in trade:		
PCB assemblies and other electronic assemblies		
a) Finished goods	-	-
b) Work-in-progress	31,110,896	-
D) Closing Stock-in-trade:		
PCB assemblies and other electronic assemblies		
a) Finished goods	-	-
b) Work-in-progress	257,977,559	31,110,896

2.26 FOREIGN EXCHANGE FLUCTUATIONS

Particulars	Year ended 31.03.2015	Period ended 31-03-2014
As per the accounting policy, the amount of Foreign Exchange Fluctuations (debited) / credited to Profit and Loss Account during the period	(16,757,229)	(3,375,087)

2.27 AUDITORS REMUNERATION

Particulars	Year ended 31.03.2015	Period ended 31-03-2014
Audit Fee	150,000	26,700
Tax Audit Fee	50,000	-
Service Tax	24,720	3,300
Total	<u>224,720</u>	<u>30,000</u>

2.28 FOREIGN EXCHANGE TRANSACTIONS

Particulars	Year ended 31.03.2015	Period ended 31-03-2014
Value of imported raw-materials on CIF basis	1,592,748,536	113,925,479
Value of imported capital goods on CIF basis	23,526,108	2,422,106
CIF value of other imports	1,144,922	35,018

2.29 CONTINGENT LIABILITIES

Particulars	Year ended 31.03.2015	Period ended 31-03-2014
Bank Guarantees		
Security Guarantee under Zero Duty (Customs) Advance Authorisation Scheme	36,573,138	11,625,000

2.30 RELATED PARTY DISCLOSURES

Particulars	Year ended 31.03.2015	Period ended 31-03-2014
Transactions with Related parties: (Excluding reimbursements)		
Holding Company: Astra Microwave Products Limited		
Sale of products	1,624,029,154	-
Rent paid	7,726,776	-
Balance as at 31st March, 2015:		
Advance received for supply of goods	422,559,848	153,979,413

2.31 RETIREMENT BENEFIT PLANS

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
A) Defined Contribution Plan:		
<p>The Company makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident fund Commissioner. Under the scheme the company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The contributions payable to this plan by the company are at rates specified in the rules of the scheme.</p>		
Employer's Contribution to Provident fund recognised in the Profit & Loss Statement	797,962	121,821
B) Defined Benefit Plan:		
<p>As per the Payment of Gratuity Act lump sum payment has to be made to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part there of in excess of six months. Vesting occurs upon completion of five years of service. (Unfunded)</p>		
<p>Leave encashment is payable as per the Rules of the Company. (Unfunded)</p>		
<p>The present value of the defined benefit obligation and the related current service cost were measured using Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.</p>		
<p>The following table sets out the status of the defined benefit obligation and the amounts recognized in the Company's financial statements</p>		
A) Change in benefit obligations:		
Present value of the obligation as at beginning of year	-	-
Interest cost	-	-
Past service cost	-	-
Current Service Cost	370,500	-
Benefits Paid	1,119,132	-
Actuarial (gain) / loss on obligations	-	-
Present value of obligation at year end	1,489,632	-
B) Expenses recognized during the year:		
Current Service cost	1,119,132	-
Past service cost	370,500	-
Interest cost	-	-
Net actuarial (gain) / loss recognized in the year	-	-
Net cost	1,489,632	-
C) Actuarial Assumptions used in accounting:		
Discount rate (per annum)	7.80%	-
Salary escalation rate (per annum)	5.00%	-

2.32 As the Company's business activities falls within single segment, the disclosure requirement of Accounting Standard 17 "Segment Reporting" is not applicable.

2.33 There are no Micro, Small and Medium Enterprise, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

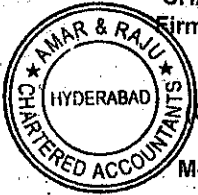
2.34 The previous year accounts were made for the period from the date of incorporation i.e., from 3rd September, 2013 to 31st March, 2014. Hence the previous year figures are not strictly comparable with the current year figures.

2.35 Balances under sundry creditors, advances payable / receivable are subject to confirmation and reconciliation.

2.36 The figures have been rounded off to the nearest rupee

As per our report of even date

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



G. AMARANATHA REDDY
Partner
Membership No: 019711

For and on behalf of the Board

(O. V. RAMANA REDDY)
Director

(T. ANJANEYULU)
Director

(R. NARASIMHAN)
Director

Place: HYDERABAD
Date : 30.04.2015

PROXY FORM

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

CIN: U32209TG2013PTC089834

Name of the Company: BHAVYABHANU ELECTRONICS PRIVATE LIMITED

Registered Office: West Block, Ground Floor, Plot No. 18 to 21, Hardware Park, Imarath Kancha, Raviryala Village, Maheshwaram Mandal, Ranga Reddy, Telangana – 500 005

Name of the Member (s)

Registered Address:

Email Id:

Folio No.:

I / we being the member (s) of _____ Shares of the above mentioned company, hereby appoint

1. Name
Address
Email Id
Signature _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 02nd Annual General Meeting of the Company to be held on Wednesday, the 29th of July, 2015 at 10.00 A.M. at West Block, Ground Floor, Plot No. 18 to 21, Hardware Park, Imarath Kancha, Raviryala Village, Maheshwaram Mandal, Ranga Reddy, Telangana – 500 005 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

Resolution No:

1. Adoption of Financial Statements for the year ended 31st March, 2015.
2. Re-appointment Mr. O. V.Ramana Reddy, as Director who retires by rotation
3. Appointment of Auditors and fixing their remuneration.

SPECIAL BUSINESS:

4. Approval of the Remuneration of the Cost Auditors

Signed this _____ day of 2015

Affix Revenue
Stamp

Signature of the Shareholder

Signature of the Proxy holder

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