

# KIRTANE & PANDIT

## INDEPENDENT AUDITOR'S REPORT

To the Members

**ASTRA RAFAEL COMSYS PRIVATE LIMITED**

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

### Opinion

We have audited the financial statements of **ASTRA RAFAEL COMSYS PRIVATE LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss, Statement of changes in equity, and statement of cash flows for the year then ended, 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, 2021, and profit / Loss, changes in equity and it's 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 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

**Kirtane & Pandit LLP - Chartered Accountants**

Bengaluru | Hyderabad | Mumbai | Nashik | Pune

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Kirtane & Pandit (a Partnership Firm with Registration No. MPA-3441) converted into Kirtane & Pandit LLP (a Limited Liability Partnership with LLP Registration No. AAD-6418), with effect from 27th March, 2015.

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 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, the Board of Directors 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 the Board of Directors 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 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.

- 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**

As required by 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 the paragraph 3 and 4 of the Order, to the extent applicable.

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 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls as per the provisions of the Companies Act 2013, the Company need not report on the those matters.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have pending litigations on its financial position.

- ii. The Company does 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.

Place: Hyderabad  
Date: May 10, 2021



**For Kirtane & Pandit LLP**  
**Chartered Accountants**  
**Firm Registration No: 0105215W**

  
**Vivek N Jain**

**Partner**

**Membership No.: 216114**

**UDIN: 21216114 AAAA B03620**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in Para 1 under ' Report on other legal and regulatory requirements' section of our Report of even date to the Members of Astra Rafael Comsys Private Ltd)**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(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 are held in the name of the company.
- ii. (a) Physical verification at reasonable periods in respect of finished goods are reported to have been made by management and certified by them accordingly. In our opinion the frequency of verification is reasonable.  
(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. (a) The Company has not granted loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').  
(b) Accordingly, paragraph 3(iii)(a) & (b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, Investments, guarantees and security the company has complied with the provisions of Section 185 and 186 of the act.
- v. The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act and rules framed there under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
- vi. To the best of our knowledge and explanations given to us, 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. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable.

- vii. (a) According to the records of the company, undisputed statutory dues including provident fund, employee's state insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities . According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees state insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues which were outstanding, at the yearend for a period of more than 6 months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues of Income tax, duty of Customs, duty of Excise, Goods and Service Tax , cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of principal and interest to any bank/financial institutions during the year. The Company has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, According to explanations and information 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. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Hyderabad  
Date: May 10, 2021



**For Kirtane & Pandit LLP**  
**Chartered Accountants**  
**Firm Registration No: 0105215W**

*VJC*

**Vivek N Jain**  
**Partner**

**Membership No.: 216114**

**UDIN: 21216114AAAAB03620**

**ASTRA RAFAEL COMSYS PRIVATE LIMITED**

**BALANCE SHEET AS AT 31st MARCH 2021**

All amounts in INR, unless otherwise stated

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	16,49,17,761	18,47,88,317
Capital Work-in-progress		2,68,92,447	2,68,92,447
Intangible assets		16,97,493	41,34,665
Financial assets			
i. Other financial assets	3	4,84,100	6,34,500
Deferred tax assets (Net)	4	3,32,78,524	3,44,37,644
Other non-current assets	5	-	-
<b>Total non-current assets</b>		<b>22,72,70,325</b>	<b>25,08,87,573</b>
<b>Current assets</b>			
Inventories	6	51,07,25,517	16,31,74,707
Financial assets			
i. Investments	7	2,50,55,033	2,09,31,886
ii. Cash and cash equivalents	8A	3,40,71,649	1,56,20,023
iii. Other bank balances	8B	5,90,86,514	5,62,20,473
iv. Trade Receivables	8C	64,19,780	-
Current tax assets (net)	9	6,31,099	3,96,594
Other current assets	5	22,64,77,468	19,21,98,644
<b>Total current assets</b>		<b>86,24,67,060</b>	<b>44,85,42,327</b>
<b>Total assets</b>		<b>1,08,97,37,385</b>	<b>69,94,29,900</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	40,00,00,000	32,50,00,000
Other equity	11	(8,88,10,083)	(3,19,78,304)
<b>Total equity</b>		<b>31,11,89,917</b>	<b>29,30,21,696</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	12		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		1,03,62,962	1,13,96,771
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7,93,42,225	3,87,57,843
ii. Other financial liabilities	13	43,55,233	3,35,09,770
Other current liabilities	14	68,44,87,046	32,27,43,820
<b>Total current liabilities</b>		<b>77,85,47,467</b>	<b>40,64,08,205</b>
<b>Total liabilities</b>		<b>77,85,47,467</b>	<b>40,64,08,205</b>
<b>Total equity and liabilities</b>		<b>1,08,97,37,385</b>	<b>69,94,29,900</b>

Summary of significant accounting policies

1

The notes are an integral part of these financial statements.

As per our Report of even date  
For KIRTANE & PANDIT LLP  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 0105215W


  
(Vivek N Jain)  
Partner

Membership Number: 216114  
UDIN : 21216114AAAAB03620

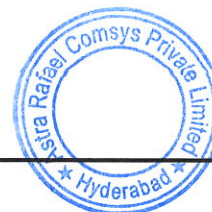


For and on behalf of the Board of Directors

  
(M. VENKATESHWAR REDDY)  
Director  
DIN : 00421401

  
(S. GURUNATHA REDDY)  
Director  
DIN : 00003828

  
(B. ROOPENDRA PRASAD)  
Company Secretary



Place : Hyderabad  
Date : 10.05.2021



**Astra Rafael Comsys Private Limited**

**Statement of profit and loss for the year ended March 31, 2021**

All amounts in INR, unless otherwise stated

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income :</b>			
Revenue from operations	15	3,35,73,592	2,15,23,964
Other income	16	58,23,445	78,81,648
<b>Total income</b>		<b>3,93,97,036</b>	<b>2,94,05,612</b>
<b>Expenses :</b>			
Cost of Material Consumed	17	-	-
Changes in Inventories	18	-	-
Employees benefits Expenses	19	5,34,10,612	4,80,62,503
Depreciation and amortisation Expenses	20	2,56,55,337	1,70,09,356
Other Expenses	21	1,60,03,746	2,17,49,618
<b>Total Expenses</b>		<b>9,50,69,695</b>	<b>8,68,21,477</b>
<b>Profit/(loss) before tax</b>		<b>(5,56,72,658)</b>	<b>(5,74,15,866)</b>
<b>Tax expense</b>			
- Current tax		-	-
- Deferred tax		(11,59,120)	3,16,38,531
<b>Net profit / (loss) for the year</b>		<b>(5,68,31,778)</b>	<b>(2,57,77,335)</b>
<b>Other comprehensive income :</b>			
Items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(5,68,31,778)</b>	<b>(2,57,77,335)</b>
<b>Earnings per equity share</b>			
Basic earnings per share		(1.80)	(1.02)
Diluted earnings per share	23	(1.80)	(1.02)

Summary of significant accounting policies

1

The notes are an integral part of these financial statements.

As per our Report of even date  
For KIRTANE & PANDIT LLP  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 0105215W



(Vivek N Jain)  
Partner

Membership Number: 216114

UDIN : 21216114AAAA B03620

For and on behalf of the Board of Directors

(M. VENKATESHWAR REDDY)

Director

DIN : 00421401

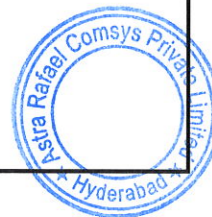
(S. GURUMATHA REDDY)

Director

DIN : 00003828

(B.ROOPENDRA PRASAD)

Company Secretary



Place : Hyderabad

Date : 10.05.2021

**Astra Rafael Comsys Private Limited**

**Statement of changes in equity for the year ended March 31, 2021**

All amounts in INR, unless otherwise stated

**A. Equity Share Capital**

Particulars	Note No.	Amount
<b>As at April 1, 2019</b>		32,50,00,000
Changes in equity share capital during the year		-
<b>As at March 31, 2020</b>	10	<b>32,50,00,000</b>
Changes in equity share capital during the year		7,50,00,000
<b>As at March 31, 2021</b>		<b>40,00,00,000</b>

**B. Other Equity**

Particulars	Note No.	Reserves and Surplus
		Retained Earnings
<b>Balance as at 1 April 2019</b>		<b>(62,00,970)</b>
Profit for the year		(2,57,77,335)
Other comprehensive income		-
<b>Balance as at 31 March 2020</b>	11	<b>(3,19,78,304)</b>
Profit for the year		(5,68,31,778)
Other comprehensive income		-
<b>Balance as at 31 March 2021</b>		<b>(8,88,10,083)</b>

As per our Report of even date  
**For KIRTANE & PANDIT LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration Number: 0105215W**



**(Vivek N Jain)**  
**Partner**  
**Membership Number: 216114**



**For and on behalf of the Board of Directors**



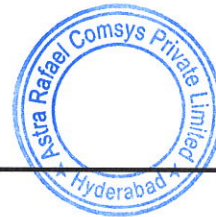
**(M. VENKATESHWAR REDDY)**  
Director  
DIN : 00421401



**(S. GURUNATHA REDDY)**  
Director  
DIN : 00003828



**(B. ROOPENDRA PRASAD)**  
Company Secretary



Place : Hyderabad  
Date : 10.05.2021

**Astra Rafael Comsys Private Limited**

**Cash Flow statement for the year ended March 31, 2021**

All amounts in INR, unless otherwise stated

Particulars	March 31, 2021	March 31, 2020
<b>Cash flow from Operating Activities</b>		
Net Profit Before Tax	(5,56,72,658)	(5,74,15,866)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,56,55,337	1,70,09,356
Interest income	(31,40,056)	(39,79,516)
(Gain)/loss on fair valuation of financial assets	(21,10,603)	(27,43,698)
(Gain)/loss on sale of Fixed Asset (net)	(56,492)	-
(Gain)/loss on sale of investments (net)	(5,16,294)	(11,58,433)
<b>Operating Profit Before Working Capital Changes</b>	<b>(3,58,40,766)</b>	<b>(4,82,88,157)</b>
<b>Changes in assets and liabilities:</b>		
(Increase) / Decrease in other financial assets	1,50,400	-
(Increase) / Decrease in other current assets	(3,42,78,824)	(18,69,54,579)
(Increase) / Decrease in Inventories	(34,75,50,810)	(16,31,74,707)
Increase/(Decrease) in trade receivables	(64,19,780)	-
Increase/(Decrease) in trade payable	3,95,50,574	4,93,89,387
(Increase) / Decrease in other current tax assets (net)	(2,34,505)	(94,901)
Increase/(Decrease) in other current liabilities	36,17,43,226	31,94,27,473
<b>Cash generated from/(used in) operating activities</b>	<b>(2,28,80,485)</b>	<b>(2,96,95,485)</b>
Income tax paid	-	-
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(2,28,80,485)</b>	<b>(2,96,95,485)</b>
<b>Cash flow from Investing Activities</b>		
Payments for property, plant and equipment	(34,96,610)	(12,82,56,831)
Proceeds from sale of Fixed Assets	2,05,495	-
Capital Advances and Other Financial Liabilities	(2,91,54,537)	4,30,81,183
Purchase of current investments	(7,49,96,250)	-
Proceeds from sale of current investments	7,35,00,000	11,96,15,599
Interest received	2,74,014	4,10,170
(Gain)/loss on fair valuation of financial assets	-	27,43,698
(Gain)/loss on sale of investments (net)	-	11,58,433
<b>Net cash flow/(used in) Investing Activities (B)</b>	<b>(3,36,67,888)</b>	<b>3,87,52,253</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from issue of share capital	7,50,00,000	-
<b>Net cash from /(used in) Financing Activities ©</b>	<b>7,50,00,000</b>	<b>-</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>1,84,51,627</b>	<b>90,56,770</b>
Cash & Cash Equivalents at the Beginning	1,56,20,023	65,63,253
<b>Cash &amp; Cash Equivalents at the End</b>	<b>3,40,71,650</b>	<b>1,56,20,023</b>

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 KIRTANE & PANDIT LLP  
CHARTERED ACCOUNTANTS**

Firm Registration Number: 0105215W

  
(Vivek N Jain)


Partner

Membership Number: 216114



  
(M. VENKATESHWAR REDDY)  
Director

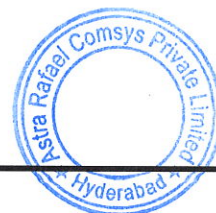
DIN : 00421401

  
(S. GURUNATHA REDDY)  
Director

DIN : 00003828



(B.ROOPENDRA PRASAD)  
Company Secretary



Place : Hyderabad  
Date : 10.05.2021

**Astra Rafael Comsys Private Limited**  
**Notes forming part of the financial statements**

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

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Unsecured, considered good Security deposits	4,84,100	6,34,500
<b>Total non-current other financial assets</b>	<b>4,84,100</b>	<b>6,34,500</b>

**Note 4 : Deferred tax assets (Net)**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Deferred tax asset	3,38,65,694	3,58,76,229
Deferred tax liability	(5,87,170)	(14,38,585)
<b>Net Deferred tax asset</b>	<b>3,32,78,524</b>	<b>3,44,37,644</b>

**Movement in deferred tax asset**

Particulars	Property, Equipment	Plant &	Other Items
As at April 1, 2018	-	-	-
Charged / (credited) to profit or loss	-	-	-
to other comprehensive income	-	-	-
As at March 31, 2019	-	-	-
Charged / (credited) to profit or loss	-	(5,15,452)	(3,27,63,072)
to other comprehensive income	-	-	-
<b>As at March 31, 2020</b>	<b>(5,15,452)</b>	<b>(3,27,63,072)</b>	

**Note 5 : Other non-current assets and current assets**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Unsecured, considered good		
Non-current		
Capital advances	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>
Unsecured, considered good		
Current:		
Prepaid expenses	7,21,398	4,30,691
Balance with government authorities	6,94,42,752	2,61,95,716
Employee Medclaim Receivable	1,00,423	-
Advance for Raw Material	15,59,87,212	16,55,20,677
Advance for services	2,25,683	51,560
<b>Total current assets</b>	<b>22,64,77,468</b>	<b>19,21,98,644</b>

**Note 6 : Inventories**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Rawmaterial	48,43,53,275	16,31,74,707
Packing Material	-	-
Work in Progress	2,63,72,242	-
Finished Goods	-	-
<b>Total Inventories</b>	<b>51,07,25,517</b>	<b>16,31,74,707</b>

**Note 7 : Current Investments**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Investments carried at fair value through profit and loss Investments in Mutual Funds (quoted)		
a) o Units of IDFC Ultra Short Term Fund Direct Plan Growth	-	-
b) o Units of IDFC Cash Fund Growth Direct Plan	-	-
c) 71561.953 Units of ICICI Prudential Liquid Fund Growth	2,50,55,033	2,09,31,886
d) o Units of Reliance Liquid Fund Direct Plan Growth Plan option	-	-
<b>Total current Investments</b>	<b>2,50,55,033</b>	<b>2,09,31,886</b>
<b>Aggregate of quoted investments and market value thereof</b>	<b>2,50,55,033</b>	<b>2,09,31,886</b>

**Note 8A : Cash and Bank Balances - Cash and Cash Equivalents**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Balances with Banks in current accounts in deposit accounts	3,40,36,841	1,55,68,811
Cash on hand	34,808	51,212
<b>Total Cash and cash equivalents</b>	<b>3,40,71,649</b>	<b>1,56,20,023</b>

**Note 8B : Other Bank Balances**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Fixed Deposits with bank	5,90,86,514	5,62,20,473
<b>Total Other Bank Balances</b>	<b>5,90,86,514</b>	<b>5,62,20,473</b>

**Note 8C : Trade Receivables**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Unsecured Considered good Doubtful	64,19,780	-
<b>Total Trade Receivables</b>	<b>64,19,780</b>	<b>-</b>

**Note 9. Current tax assets (net)**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Advance income tax (net of provision for income tax)	6,31,099	3,96,594
<b>Total Current tax assets (net)</b>	<b>6,31,099</b>	<b>3,96,594</b>

**Astra Rafael Comsys Private Limited**  
Notes forming part of the financial statements

All amounts in INR, unless otherwise stated

**Note 10 : Equity share capital**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
<b>Authorised share capital:</b> 4,00,00,000 (2021 : 4,00,00,000 and 2020 : 3,25,00,000) equity shares of Rs. 10/- each	40,00,00,000	32,50,00,000
<b>Total</b>	<b>40,00,00,000</b>	<b>32,50,00,000</b>
<b>Issued,subscribed and paidup capital:</b> 4,00,00,000 (2021 : 4,00,00,000 and 2020 : 3,25,00,000) equity shares of Rs. 10/- each fully paid	40,00,00,000	32,50,00,000
<b>Total</b>	<b>40,00,00,000</b>	<b>32,50,00,000</b>

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Astra Microwave Products Limited Number of shares % of holding of equity shares	2,00,00,000 50.00%	1,62,50,000 50.00%
Rafael Advanced Defense Systems Ltd Number of shares % of holding of equity shares	1,96,00,000 49.00%	1,59,25,000 49%

**Movement in equity share capital**

Particulars	As at	
	March 31, 2021	March 31, 2020
Number of shares at the beginning of the year	3,25,00,000	3,25,00,000
Add: Number of shares issued and subscribed during the year	75,00,000	-
<b>Number of shares at the end of the year</b>	<b>4,00,00,000</b>	<b>3,25,00,000</b>

**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 11 : Other equity**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
<b>Reserves and surplus:</b>		
Retained earnings	(8,88,10,083)	(3,19,78,304)
<b>Total</b>	<b>(8,88,10,083)</b>	<b>(3,19,78,304)</b>

Retained earnings	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Opening balance	(3,19,78,304)	(62,00,970)
Add: Net profit for the year	(5,68,31,778)	(2,57,77,335)
<b>Closing balance</b>	<b>(8,88,10,083)</b>	<b>(3,19,78,304)</b>

<b>Note 12: Trade Payables</b>		
<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2021 Amount</b>	<b>March 31, 2020 Amount</b>
Dues to micro enterprises and small enterprises (Refer below)	1,03,62,962	1,13,96,771
Dues to creditors other than micro enterprises and small enterprises	7,93,42,225	3,87,57,843
<b>Total</b>	<b>8,97,05,187</b>	<b>5,01,54,614</b>
The disclosures pursuant to the said MSMED Act are as follows:		
<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2021 Amount</b>	<b>March 31, 2020 Amount</b>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,03,62,962	1,13,96,771
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	-	-
<b>Note 13: Other financial liabilities</b>		
<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2021 Amount</b>	<b>March 31, 2020 Amount</b>
Capital creditors	8,16,957	2,99,71,494
Retention monies	35,38,277	35,38,277
<b>Total</b>	<b>43,55,233</b>	<b>3,35,09,770</b>
<b>Note 14: Other current liabilities</b>		
<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2021 Amount</b>	<b>March 31, 2020 Amount</b>
Payroll taxes payable	12,12,979	3,94,987
Statutory taxes payable	57,407	1,03,679
Employee payable	53,37,661	39,02,962
Advances Received from Customers	67,78,78,999	31,83,42,193
<b>Total</b>	<b>68,44,87,046</b>	<b>32,27,43,820</b>

**Astra Rafael Comsys Private Limited**  
**Notes forming part of the financial statements**

All amounts in INR, unless otherwise stated

**Note 15: Revenue from Operations**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Sale of Services	3,35,73,592	2,14,89,825
Sale of Scrap	-	34,139
<b>Total</b>	<b>3,35,73,592</b>	<b>2,15,23,964</b>

**Note 16: Other Income**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Interest income from financial assets at amortised cost	31,40,056	39,79,516
Net gain on sale of current investments	5,16,294	11,58,433
Net gain on sale of Asset	56,492	-
Net gain on financial assets mandatorily measured at Fair Value through profit and loss	21,10,603	27,43,698
<b>Total</b>	<b>58,23,445</b>	<b>78,81,648</b>

**Note 17: Cost of Material Consumed**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
A) Indigenous Raw Material		
Opening stock of Raw Material	13,04,68,973	-
Add : Purchases	28,06,92,414	13,04,68,973
Less : Closing Stock of Rawmaterial	41,11,61,387	13,04,68,973
<b>Total Indigenous Raw Material Consumed</b>	<b>-</b>	<b>-</b>
A) Imported Raw Material		
Opening stock of Raw Material	3,27,05,734	-
Add : Purchases	6,68,58,209	3,27,05,734
Less : Closing Stock of Rawmaterial	9,95,63,943	3,27,05,734
<b>Total Imported Raw Material Consumed</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 18: Changes in Inventories**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
A) Inventories at the Beginning of the period		
Finished Goods	-	-
Work In Progress	-	-
<b>Total Opening Stock</b>	<b>-</b>	<b>-</b>
A) Inventories at the End of the Period		
Finished Goods	-	-
Work In Progress	-	-
<b>Total Closing Stock</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 19: Employee benefit expenses**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Salaries and other benefits	5,26,08,323	4,75,60,105
Contribution to PF & ESI	6,34,298	4,08,392
Staff Training Expenses	69,566	-
Staff welfare expenses	98,425	94,006
<b>Total</b>	<b>5,34,10,612</b>	<b>4,80,62,503</b>



<b>Note 20: Depreciation and amortisation expense</b>		
<b>Particulars</b>	<b>Year ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Amount</b>	<b>Amount</b>
Depreciation of property, plant and equipment	2,56,55,337	1,70,09,356
<b>Total</b>	<b>2,56,55,337</b>	<b>1,70,09,356</b>
<b>Note 21: Other expenses</b>		
<b>Particulars</b>	<b>Year ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Amount</b>	<b>Amount</b>
Travelling and conveyance	3,43,776	28,45,208
Printing and stationery	31,417	99,052
Telephone and Communication charges	6,57,067	4,19,192
Operating lease rent	1,89,000	6,63,000
Books & Periodicals	11,700	8,110
Insurance	18,18,406	1,00,833
Rates and taxes	23,209	10,04,994
Auditors remuneration	50,000	50,000
Legal and professional charges	18,15,060	13,21,400
Repairs and maintenance	21,48,249	13,05,294
Consumables	78,549	-
Calibration Charges	47,390	-
Registrations and Renewals	3,000	4,500
Tools and Spares	3,06,224	94,355
Annual Maintenance Charges	4,29,748	-
Miscellaneous expenses	15,89,653	52,59,476
Freight & Documentation Charges	18,579	15,33,911
Electricity Charges	22,62,624	17,36,372
Security charges	11,30,504	9,89,972
Membership Fee	67,250	43,500
Participation Fee	2,000	5,06,000
Factory License Fee	16,000	35,840
Property Tax	2,56,962	2,56,968
Business Promotion Expenses	56,385	17,68,368
Bank charges and commission	10,57,562	10,80,571
Foreign exchange fluctuations	15,93,431	6,22,701
<b>Total</b>	<b>1,60,03,746</b>	<b>2,17,49,618</b>

**Astra Rafael Comsys Private Limited**

Notes to financial statements for the year ended 31 March 2021

All amounts in INR, unless otherwise stated

**Note 2 : Property, Plant and Equipment**

Particulars	Gross carrying value			Accumulated depreciation/amortisation				Net carrying amount As at 31 Mar 2021
	As at 1 Apr 2020	Additions	Deletions	As at 31 Mar 2021	As at 1 Apr 2020	For the Year	On disposals	
<b>Tangible assets:</b>								
<b>Own assets:</b>								
Land	3,51,89,544	-	-	3,51,89,544	-	-	-	3,51,89,544
Computers	18,00,989	5,39,302	-	23,40,291	9,80,998	6,98,232	-	16,79,230
Building	10,14,11,811	28,500	-	10,14,40,311	58,42,383	90,86,994	-	1,49,29,377
Plant & Machinery	3,19,72,054	4,60,609	-	3,24,32,663	14,24,510	55,84,226	-	70,08,736
Airconditioners	30,49,987	-	1,49,003	29,00,984	5,49,059	6,28,078	-	11,77,137
Computer Servers	78,10,061	-	-	78,10,061	22,85,308	21,87,339	-	44,72,647
Electrical Installations	81,92,665	-	-	81,92,665	12,77,867	17,92,524	-	30,70,391
Furnitures & Fixtures	71,42,140	3,20,268	-	74,62,408	8,72,312	16,50,884	-	25,23,196
Office Equipment	19,76,185	17,00,932	-	36,77,117	5,24,682	11,42,888	-	16,67,570
<b>Total</b>	<b>19,85,45,436</b>	<b>30,49,610</b>	<b>1,49,003</b>	<b>20,14,46,044</b>	<b>1,37,57,119</b>	<b>2,27,71,164</b>	<b>-</b>	<b>3,65,28,283</b>
<b>Capital work-in progress</b>								
	<b>2,68,92,447</b>	-	-	2,68,92,447	-	-	-	2,68,92,447
<b>Intangible assets</b>								
	<b>76,51,872</b>	4,47,000	-	<b>80,98,872</b>	<b>35,17,207</b>	28,84,172	-	<b>64,01,379</b>
								<b>16,97,493</b>

**Astra Rafael Comsys Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021**

**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 preparation of financial 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 Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

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

**Note 1.2 : Use of estimates**

The preparation of the financial statements in conformity 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).

#### **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.

### **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.

**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.

**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 recognized as 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.

**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.



**Astra Rafael Comsys Private Limited**  
**Notes forming part of the financial statements**

All amounts in INR, unless otherwise stated

**Note : 22: Reconciliation of tax expenses and accounting profit multiplied by tax rate:**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Profit / (loss) before income tax expense	(5,56,72,658)	(5,74,15,866)
Income tax rate	-	-
Income tax expense	-	-
Deferred tax	(11,59,120)	3,16,38,531
<b>Income tax expense</b>	<b>(11,59,120)</b>	<b>3,16,38,531</b>

**Note 23: Earnings Per Share**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Profit / (loss) after tax	(5,68,31,778)	(2,57,77,335)
No. of Equity Shares outstanding at the beginning of the year	2,52,89,890	2,52,89,890
Weighted Average No. of Equity Shares issued during the period	63,28,767	-
Total number of Shares outstanding at the end of the year (used as denominator for calculating EPS)	3,16,18,657	2,52,89,890
Face value per share	10	10
Earnings per share - basic / diluted (in Rs.)	(1.80)	(1.02)

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

**Note 24 : Payment to auditor**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
<b>To statutory auditors</b>		
Statutory Audit fee	50,000	50,000
Tax Audit fee	-	75,000
<b>Total</b>	<b>50,000</b>	<b>1,25,000</b>

**Note 25 : Segment Reporting**

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	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	3,35,73,592	2,15,23,964
B) Geographical Segment Assets		
Non-current assets other than deferred tax assets located in India	19,39,91,801	21,64,49,929
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	3,35,73,592	2,15,23,964

**Note 26 : Related Party Disclosure :**

**A. Name of related parties and nature of relationships:**

Names of related parties	Description of relationship
Astra Microwave Products Limited Rafael Advanced Defense Systems Ltd	JV Company JV Company
<b>Key Managerial Persons (KMP)</b>	
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, 2021	March 31, 2020
		Amount	Amount
Rafael Advanced Defense Systems Ltd	Sale of services	3,35,73,592	2,14,89,825
	Purchase of Testing Equipment	-	2,68,92,447
	Purchases	4,88,35,966	62,08,522
Astra Microwave Products Limited	Rent paid to Astra	-	4,20,000
	Purchases	10,66,69,344	2,25,29,477
BESTHA ROOPENDRA PRASAD	Company Secretary's Remuneration	6,97,200	6,73,501

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

Name of the related parties	Nature of balance	As at	
		March 31, 2021	March 31, 2020
		Amount	Amount
Astra Microwave Products Limited	Rent payable	0	4,20,000

**Note 27 :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, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>At fair value through profit and loss</b>				
Investments - Current	25055032.52	25055032.52	2,09,31,886	2,09,31,886
<b>At Amortised Cost</b>				
Financial assets - Non Current	484100	484100	634500	634500
Financial assets - Current	93158164	93158164	71840496	71840496
<b>Grand Total</b>	<b>11,86,97,296</b>	<b>11,86,97,296</b>	<b>9,34,06,882</b>	<b>9,34,06,882</b>

**II. Financial Liabilities :**

Particulars	As at			
	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>At Amortised Cost</b>				
Financial Liabilities - Current	9,40,60,421	9,40,60,421	8,36,64,384	8,36,64,384
<b>Grand Total</b>	<b>9,40,60,421</b>	<b>9,40,60,421</b>	<b>8,36,64,384</b>	<b>8,36,64,384</b>

**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	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments - Current	March 31, 2021	2,50,55,033	-	-
	March 31, 2020	2,09,31,886	-	-
	March 31, 2019	14,05,47,485	-	-
	March 31, 2018	-	-	-
	April 1, 2017	-	-	-

**Note 28: Capital and other Commitments**

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Estimated amount of capital contracts remaining to be executed and not provided for	-	-

**Note 29: Contingent Liability**

A Bank guarantee of 3 Crores has been given by HDFC Bank on behalf of Company.

The following assets are placed as securities for Overdraft facility of 5 Crores and Bank guarantee of 3 Crores :-

**Primary:**

Current assets - Exclusive Charge, both present and future.

**Secondary:**

1) Movable fixed assets - Plant & Machinery

2) Factory Land and Building.

3) Corporate Guarantee by M/s Astra Microwave products Ltd and M/s Rafael advanced Defense systems Ltd

**Note 30: 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	
	March 31, 2021	March 31, 2020
<b>Unhedged USD exposure (in INR)</b>	-	-
<b>Change in USD</b>		
5% increase	-	-
5% decrease	-	-
<b>Unhedged EURO exposure (in INR)</b>	-	-
<b>Change in EURO</b>		
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.

### 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	
	March 31, 2021	March 31, 2020
Change in price:		
increase by 1%	2,50,550	2,09,319
decrease by 1%	(2,50,550)	(2,09,319)

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, 2021		March 31, 2020	
	0-12 Months	Above 12 months	0-12 Months	Above 12 months
	Amount	Amount	Amount	Amount
Trade Payable	8,97,05,187	-	5,01,54,614	-
Other financial liabilities	43,55,233	-	3,35,09,770	-
<b>Grand Total</b>	<b>9,40,60,421</b>	<b>-</b>	<b>8,36,64,384</b>	<b>-</b>

### Note 31 : 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	March 31, 2021	March 31, 2020
<b>Borrowings</b>		
Current - Short term borrowings	-	-
Non current - Long term borrowings	-	-
Current maturities of long term borrowings	-	-
<b>Debt</b>	-	-
<b>Equity</b>		
Equity share capital	40,00,00,000	32,50,00,000
Other equity	(8,88,10,083)	(3,19,78,304)
<b>Total capital</b>	<b>31,11,89,917</b>	<b>29,30,21,696</b>
<b>Gearing ratio in % (Debt/ capital)</b>	<b>0%</b>	<b>0%</b>

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.

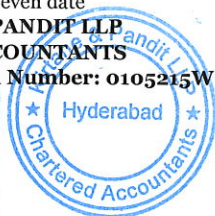
### Note 32 : Impact of Covid - 19 on Financial statements

There is no contraction on economic activities of the company due to COVID-19 during the financial year. Thereby there is no impact on estimation of amounts and on closing balances disclosed in the financial statements.

As per our Report of even date


**For KIRTANE & PANDIT LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration Number: 0105215W**

  
**(Vivek N Jain)**  
**Partner**  
**Membership Number: 216114**



**For and on behalf of the Board of Directors**

  
**(M. VENKATESHWAR REDDY)**  
Director  
DIN : 00421401

  
**(S. GURUNATHA REDDY)**  
Director  
DIN : 00003828

  
**(B. ROOPENDRA PRASAD)**  
Company Secretary



Place : Hyderabad

Date : 10.05.2021