Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: _____

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

ASTRA MICROWAVE PRODUCTS LIMITED

Registered Office: Astra Towers, Survey No: 12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad 500 084, Telangana, India
Tel: +91 40 3061 8000 | **Contact Person**: Anjaneyulu Thallapalli, Company Secretary and Compliance Officer | **Email:** secretarial@astramwp.com; tan@astramwp.com
Website: www.astramwp.com | **CIN**: L29309TG1991PLC013203

Our Company was incorporated as Astra Microwave Products Private Limited on September 13, 1991 as a private limited company under the Companies Act, 1956, as amended. For details of changes in the name of our Company and a brief history of our Company, see "*General Information*" on page 376.

Our Company is issuing up to [●] equity shares of face value of ₹2 each (the "**Equity Shares**") at a price of ₹[●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹ [●] (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 27.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, AS AMENDED, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 37 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on April 28, 2023 was ₹307.70 and ₹308 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE, each on April 28, 2023. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Telangana at Hyderabad ("**RoC**") within the stipulated period as required under the Companies Act, 2013 (as defined hereinafter) and the PAS Rules (as defined above). This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and shall not be filed as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document, together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined herein). For further details, see "*Issue Procedure*" on page 342. This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. See "*Selling Restrictions*" on page 354 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 360 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the website of our Company, any website directly or indirectly linked to website of our Company or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Preliminary Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Preliminary Placement Document is dated April 28, 2023.

BOOK RUNNING LEAD MANAGERS	
ICICI SECURITIES LIMITED	**JM FINANCIAL LIMITED**

TABLE OF CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries, Associate and Joint Venture and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries, Associate, Joint Venture and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, its Subsidiaries, Associate, Joint Venture and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available with our Company. There are no other facts in relation to our Company, its Subsidiaries, Associate, Joint Venture and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

ICICI Securities Limited and JM Financial Limited (the "**Book Running Lead Managers**") have made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue of the Equity Shares or their distribution.

Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on any of the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, its Subsidiaries Associate and Joint Venture and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. See "*Selling Restrictions*" on page 354 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 360 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see "*Selling Restrictions*" on page 354.

In making an investment decision, the prospective investors must rely on their own examination of our Company and its Subsidiaries, Associate, Joint Venture and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities including the Equity Shares or otherwise accessing the capital markets in India.

Each subscriber of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information pertaining to our Company and the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Preliminary Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The information on our Company's website, www.astramwp.com, any website directly and indirectly linked to the website of our Company or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute nor form part of this Preliminary Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*"on page 354 and 360, respectively.

REPRESENTATIONS BY INVESTORS

All references to “you” and “your” in this section are to the prospective investors in the Issue. By Bidding (hereinafter defined) and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

2. You are a “Qualified Institutional Buyer” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy (as defined hereinafter), read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules;

6. You acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis;

7. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

8. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. For further details in this regard, see “*Selling Restrictions*” and “*Transfer Restrictions*” on page 354 and 360, respectively;

9. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed (and the Placement Document) shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

10. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the

case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honor such obligations;

11. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

12. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward looking statements contained in this Preliminary Placement Document;

13. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

14. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 354 and 360, respectively;

15. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 37;

16. In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiaries, Associate and Joint Venture and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries, its Associate and its Joint Venture the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, its Subsidiaries, Associate, Joint Venture and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

17. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

18. You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by

you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

19. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

20. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent any Promoter or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

21. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoter);

22. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

23. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

24. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

25. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

26. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers;

27. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

28. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

29. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

30. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set

out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

31. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

32. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and other distributions declared;

33. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

34. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

35. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

36. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

37. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act.

38. You are outside the United States and are subscribing for the Equity Shares in an "offshore transaction" as defined in Regulation S of the U.S. Securities Act, and are not our Company's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

39. You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 354 and 360, respectively;

40. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

41. Our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable;

42. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Hyderabad, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

43. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and

44. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations, FPIs, including the affiliates of the Book Running Lead Managers, who are registered as category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section entitled "*Issue Procedure*" on page 342. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of, third parties that are unrelated to our Company. Our Company, and, the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Prospective Investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

Disclaimer clause of the Stock Exchanges

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; and

3. take any responsibility for the financial or other soundness of this Company, its management or any scheme or project of this Company.

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company', 'we', 'us', 'our' or the 'Issuer' are to Astra Microwave Products Limited together with its Subsidiaries, its Associate and its Joint Venture on a consolidated basis.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in crore or whole numbers, unless stated otherwise. One crore represents 10,000,000 and one billion represents 1,000,000,000.

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'Fiscal' or 'FY' are to the twelve month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

In this Preliminary Placement Document, we have included the Fiscal 2022 Audited Consolidated Financial Statements, Fiscal 2021 Audited Consolidated Financial Statements, Fiscal 2020 Audited Consolidated Financial Statements, and the limited reviewed Unaudited Interim Condensed Consolidated Financial Statements as at December 31, 2022 and for the nine-months periods ended December 31, 2022 and December 31, 2021.

The company has appointed Price Waterhouse Chartered Accountants LLP, as its statutory auditors (the "**Statutory Auditors**") pursuant to a Shareholders' resolution dated July 28, 2017 and re-appointed on August 22, 2022. For details, see "*Our Statutory Auditors*" on page 375.

Our Unaudited Interim Condensed Consolidated Financial Statements and Audited Consolidated Financial Statements, have been prepared in accordance with the Ind AS and Companies Act, 2013.

There are significant differences between Ind AS, U.S. GAAP and IFRS. The Financial Information included in this Preliminary Placement Document comprise of our Audited Consolidated Financial Statements for Fiscals 2020, 2021, 2022 and the Unaudited Interim Condensed Consolidated Financial Statements prepared by the Company in accordance with the accounting principles generally accepted in India including the Companies (Indian Accounting Standards) Rules, 2015 (as amended) specified under Section 133 of the Companies Act, 2013 to the extent applicable. See "*Risk Factors - Significant differences exist between Ind AS used to prepare our financial information and other accounting frameworks, such as IFRS and U.S. GAAP, with which investors may be more familiar*" on page 46.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

For Fiscal 2022, Fiscal 2021 and Fiscal 2020 and the nine month periods ended December 31, 2022 and December 31, 2021, our financials are prepared in lakhs and have been presented in this Preliminary Placement Document in crore for presentation purposes. One "crore" represents "10,000,000". One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Preliminary Placement Document consists of estimates based on data and reports compiled by government bodies, professional organizations, industry publications and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory/ government publications and websites, more particularly described in "*Industry Overview*" on page 285.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Assessment of Indian Defence Equipment Manufacturing Industry*" dated February 2023 (the "**CRISIL Report**"), which is a report commissioned and paid for by our Company and prepared by CRISIL Research pursuant to an engagement letter dated February 24, 2023, in connection with the Issue.

The CRISIL Report contains following disclaimer:

"*CRISIL MI&A, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Astra Microwave Products Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

Neither our Company, nor the Book Running Lead Managers have independently verified this data and make any representation regarding the accuracy or completeness of such data. Similarly, while we believe that our internal estimates are reasonable, such estimates have not been verified by any independent sources, and neither our Company nor any of the Book Running Lead Managers can assure potential investors as to their accuracy. See also "*Risk Factors – Industry information included in this Placement Document has been derived from numerous sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate* " on page 46.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward looking statements'. The prospective investors can generally identify forward looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek to', 'should', 'will', 'will continue', 'will pursue', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements.

The forward looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward looking statements include, among others:

- Dependent on and derive a substantial portion of our revenue from a small number of customers, especially GoI related programmes and agencies;
- Lack of long term contracts with our customers;
- Manufacturing activities require deployment of labour and depend on availability of labour;
- Adverse affect if cost of raw materials are increased and/ or inadequate supply of raw materials. Further, we are dependent on third parties for the timely supply of raw materials to our facilities and delivery of our products to our customers; and
- Substantial capital expenditure and high working capital requirements

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 37, 285, 315 and 260, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Book Running Lead Managers' will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchange.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except for our Director, Atim Kabra, who is a resident of Singapore, all the Directors and Senior Management of our Company named herein are resident citizens of India and all of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

a. where the judgment has not been pronounced by a court of competent jurisdiction;
b. where the judgment has not been given on the merits of the case;
c. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
d. where the proceedings in which the judgment was obtained were opposed to natural justice;
e. where the judgment has been obtained by fraud; and
f. where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, Singapore, United Arab Emirates and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD), Euro (in ₹ per EUR) and the Swiss Franc (in ₹ per CHF). No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars, Euros and Swiss Francs at any particular rate, the rates stated below, or at all.

1. US dollar

(₹ per USD)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal*				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.20	76.81	72.29
Month ended*				
March 31, 2023	82.22	82.29	82.68	81.74
February 28, 2023	82.68	82.61	82.91	81.85
January 31, 2023	81.74	81.90	82.91	81.22
December 31, 2022	82.79	82.46	82.92	81.15
November 30, 2022	81.60	81.81	82.88	80.65
October 31, 2022	79.42	79.60	79.98	78.99

(Source: www.rbi.org.in and www.fbil.org.in)

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.

Notes:
* *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

2. EURO

(₹ per EUR)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal*				
2023	89.61	83.72	90.26	78.34
2022	84.66	86.56	90.51	83.48
2021	86.10	86.67	90.31	81.50
Month ended*				
March 31, 2023	89.61	88.04	89.63	86.42
February 28, 2023	87.55	88.53	90.26	87.41
January 31, 2023	88.60	88.21	89.01	86.92
December 31, 2022	88.15	87.29	88.30	84.75
November 30, 2022	84.45	83.46	85.31	80.72
October 31, 2022	81.92	80.88	82.91	79.79

(Source: www.rbi.org.in and www.fbil.org.in)

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period

Notes:
* *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

3. CHF

(₹ per CHF)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal*				
2023	89.82	84.16	90.32	77.20
2022	82.25	81.11	83.40	77.80
2021	77.55	80.46	83.49	77.13
Month ended*				
March 31, 2023	89.82	88.89	90.32	87.10
February 28, 2023	87.72	89.18	90.07	87.72
January 31, 2023	89.24	88.47	89.56	87.45
December 31, 2022	89.53	88.44	89.73	86.66
November 30, 2022	86.16	84.74	86.73	81.56
October 31, 2022	82.62	82.68	83.30	81.91

(Source: https://www.exchangerates.org.uk/CHF-INR-spot-exchange-rates-history)

(1) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
(2) *Average of the official rate for each working day of the relevant period;*
(3) *Maximum of the official rate for each working day of the relevant period; and*
(4) *Minimum of the official rate for each working day of the relevant period*

Notes:

* *If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013 the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Financial Information" and "Legal Proceedings" on pages 368, 285, 60 and 370 respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"our Company", "the Company", "the Issuer"	Astra Microwave Products Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Astra Towers, Survey No:12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad 500 084, Telangana, India
"Articles" or "Articles of Association" or "AoA"	Articles of association of our Company, as amended
Associate	Janyu Technologies Private Limited
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in "*Board of Directors and Senior Management*" on page 328
Audited Consolidated Financial Statements	Fiscal 2022 Audited Consolidated Financial Statements, Fiscal 2021 Audited Consolidated Financial Statements and Fiscal 2020 Audited Consolidated Financial Statements
"Auditors" or "Statutory Auditors"	Price Waterhouse Chartered Accountants LLP
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or any duly constituted committee thereof
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Board of Directors and Senior Management*" on page 328
Directors	The directors on the Board of our Company
Equity Shares	Equity shares of our Company of face value of ₹2 each
Financial Information	Collectively, the Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2022 of our Company its Subsidiairies, Associate and Joint Venture comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss and the consolidated statement of cash flow for the year ended March 31, 2022 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS
Fiscal 2021 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2021 of our Company its Subsidiairies, Associate and Joint Venture comprising the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss and the consolidated statement of cash flow for the year ended March 31, 2021 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS
Fiscal 2020 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2020 of our Company its Subsidiairies, Associate and Joint Venture comprising the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss and the consolidated statement of cash flow for the year ended March 31, 2020 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS
Independent Director	Non-Executive and Independent directors on the Board, as disclosed in "*Board of Directors and Senior Management*" on page 328
Joint Venture	Astra Rafael Comsys Private Limited
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management*" on page 328
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, as described in "*Board of Directors and Senior Management*" on page 328
Promoter	Our Promoter, namely, Prakash Anand Chitrakar
Promoter Group	Idividuals and Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
QIP Committee	QIP Committee of our Company as disclosed in "*Board of Directors and Senior Management*" on page 328

Term	Description
"Registrar of Companies" or "RoC"	Registrar of Companies, Telangana at Hyderabad
Registered Office	ASTRA Towers, Survey No:12 (Part) Opp. CII Green Building, Hitech City, Kondapur, Hyderabad Telangana, 500 084
Risk Management Committee	The risk management committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Board of Directors and Senior Management*" on page 328
Senior Management	Key Managerial Personnel and Senior Management Personnel of our Company, as described in "*Board of Directors and Senior Management*" on page 328
Shareholders	Shareholders of our Company
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Board of Directors and Senior Management*" on page 328
Subsidiaries	Bhavyabhanu Electronics Private Limited, Aelius Semicondoctors Pte. Limited and Astra Foundation
Unaudited Interim Condensed Consolidated Financial Statements	Our unaudited interim condensed consolidated financial statements comprising of the unaudited condensed consolidated balance sheet as at December 31, 2022, the unaudited interim condensed consolidated statement of profit and loss and the unaudited interim condensed consolidated cash flow statement for the nine months ended December 31, 2022 and December 31, 2021 including selected explanatory notes of our Company prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, and other recognized accounting principles generally accepted in India.
"we" or "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company, its Subsidiaries its Associate and Joint Venture on a consolidated basis

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares of our Company are issued pursuant to the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof
Bid(s)	Indication of an Eligible QIB's interest including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs"	ICICI Securities Limited and JM Financial Limited
BSE	BSE Limited
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation confirming the Allocation of Equity Shares to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. However, FVCIs are not permitted to participate in the Issue. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheque or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement
Escrow Bank	Axis Bank Limited
Escrow Agreement	Agreement dated April 28, 2023, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amount and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹268, for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the resolution of our Shareholders passed by way of a postal ballot dated February

Term	Description
	14, 2023, the results of which were declared on February 15, 2023and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	The offer, issue and Allotment of up to [●] of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2023, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount
Issue Opening Date	April 28, 2023 the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Issue Price	A price per Equity Share of ₹[●]
Issue Size	The Issue of [●] Equity Shares aggregating to ₹[●] crore
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NSE	National Stock Exchange of India Limited
Placement Agreement	Placement agreement dated April 28, 2023 entered into by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document along with the Application Form, dated April 28, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
"QIB" or "Qualified Institutional Buyer"	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the applicable rules of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from the Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	April 28, 2023, which is the date of the meeting in which the QIP Committee decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who will be Allocated Equity Shares in the Issue
Stock Exchanges	BSE and NSE
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Business and Industry Related Terms

Term	Description
AAAU	Active Array Antenna Unit
AEW&CS	Airborne Early Warning & Control Systems
AESAR	Active Electronically Scanned Array Radar
AATRU	Active Array Transmitter Receiver Unit
ASPJ	Airborne Self Protection Jamming
AMPL missiles	Astra Missile
ARC	Astra-Rafael Comsys Private Limited
AWS	Automatic Weather Stations
BFSR	Battlefield Surveillance Radar
BTP	Built to Print
BTS	Built to Specs
CAR	Central Acquisition Radar
CASDIC	Combat Aircraft System Development and Integration Center
CDMA	Code Division Multiple Access
CNC	Contract Negotiation Committee
CRISIL Report	The report titled "*Assessment of Indian Defence Equipment Manufacturing Industry*" dated February 2023 prepared by CRISIL Limited and commissioned by and paid for by our Company pursuant to an engagement with our Company
CSR	Corporate Social Responsibility
CSR radar	Costal Surveillance Radar
DCPP	Development cum production partner
Defence Offset Policy	The policy requires foreign vendors to plough back at least 30 percent of the contract value in the Indian defence sector to discharge their offset obligation
DRDO	Defence Research & Development Organisation
EMC	Electro Magnetic Compatibility
EMI	Electro Magnetic Interference

Term	Description
EOU	Export Oriented Unit
EO	Electro-Optics
EW	Electronic Warfare
GaAs	Galium Arsenide
GaN	Galium Nitride
GPRS	General Packet Radio Service
GSAT	Geosynchronous Satellite
GSM	Global System for Mobile
GSM/Ext	Extended Global System for Mobile
IC FPGA RTAX Series	Integrated Circuits
IMD	Indian Meteorological Department
INSAT MSS Terminals	Indian National Satellite Mobile Satellite Services
ISRO	Indian Space Research Organization
KIADB	Karnataka Industrial Areas Development Board
LCA	Light Combat Aircrafts
LRTR	Long range Tracking Radar
LRU	Line Replaceable Unit
MIC	Microwave Integrated Circuit
MMIC	Monolithic Microwave Integrated Circuit
MSS Terminals	Mobile Satellite Services Terminal
NFTR	Near Field Test Range
NGRAM	Next Generation Anti-Radiation Missile
OEM	Original Equipment Manufacturers
PAS Housing	Power Amplifier Housing
PATM-II	Phased Array Telemetry-II
PLDRO	Phase Locked Directional Resonator Oscillator
PPATR	Pulsed Phased Array Tracking Radar
PSU	Public Sector Undertaking
R&D	Research and Development
RISAT	Radar Imaging Satellite
RF systems	Radio Frequency System
RFID	Radio Frequency Identification
SDR	Software Defined Radio
SLCM	Submarine Launch Cruise Missile
SMT	Surface Mount Technology
SIGNIT	Signal Intelligence
TCXO	Temperature Compensated Crystal Oscillator
TRM	Transmit Receive Modules
UHF	Ultra High Frequency
VHF	Very High Frequency

Conventional and General Terms/ Abbreviations

Term	Description
“INR” or “Rupees” or “₹” or “Indian Rupees” or “Rs.”	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Criminal Procedure Code	Code of Criminal Procedure, 1973
CRISIL/ CRISIL MI&A	CRISIL Market Intelligence and Analytics, a division of CRISIL Limited
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
EW	Electronic warfare
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment

Term	Description
FDI Policy	Consolidated FDI policy issued by the Department for Promotion of Industry and Internal Trade Ministry of Commerce and Industry, Government of India, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal Year(s)" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GDP	Gross domestic product
GoI or Government or Central Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as per Companies (Indian Accounting Standards) Rule 2015, notified by the MCA under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013
Income Tax Act	The Income Tax Act, 1961
MCA	The Ministry of Corporate Affairs, Government of India
MD	Managing director
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957,
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SFA	The Securities and Futures Act Chapter 289 of Singapore
SI-NBFC	Systemically important non-banking financial companies
STT	Securities transaction tax
U.K.	United Kingdom
UOI	Union of India
"U.S.$" or "U.S. dollar" or "USD"	United States Dollar, the legal currency of the United States of America
"USA" or "U.S." or "United States"	The United States of America
U.S. Securities Act	The United States Securities Act of 1933
VCF	Venture capital fund

SUMMARY OF BUSINESS

Overview

We are engaged in the business of designing, developing and manufacturing microwave and radio frequency systems, sub-systems and components. We are one of the few private sector manufacturers of critical microwave and radio frequency components, sub-systems and systems in India *(Source: CRISIL Report)*. Our Company is also amongst a few private sector players in India that has in-house capabilities of designing, developing and manufacturing critical microwave and radio frequency-based equipment (for instance, radars) that find applications across defence, aerospace, space, metrology, telecom and civil communications sectors *(Source: CRISIL Report)*. Some of our major clients include navratna public sector enterprises and large multinational defence electronics companies.

Our expertise in the development of critical microwave and radio frequency products with defence applications has enabled us to participate in several prestigious defence programs of India, such as Project Uttam where a fully engineered, qualified and deployable state-of-art Active Electronically Scanned Array Radar ("**AESAR**") has been developed indigenously with scalable architecture that can be adapted for various types of fighter class of airborne platforms *(Source: CRISIL Report)*. We are the only private sector company in India currently developing Active Aperture Array Unit ("**AAAU**"), one of the core components required for AESAR of fighter aircraft LCA Mk2 *(Source: CRISIL Report)*. We are the only private sector company in India which has Near Field Test Range ("**NFTR**") facility, which is required to test Radar sub-systems and systems *(Source: CRISIL Report)*. We are currently designing and developing the Active Array Transmitter Receiver Unit ("**AATRU**") with electronic warfare application for the Combat Aircraft Systems Development and Integration Centre ("**CASDIC**") of Defence Research and Development Organisation ("**DRDO**"). We also recently delivered 32 x 32 element S band phased array telemetry system ("**PATM 11**") and high and medium power radiation mode testing & evaluation facility for radar electronic warfare systems to DRDO.

We have also been part of the development of components for several space and meteorological programs in India as well. We have been among the key players for the development of sub-systems for India's Radar Satellite & Geosynchronous Satellite program, Resourcesat, Megatropics and Cartosat for Indian space programs by ISRO *(Source: CRISIL Report)*. We have also supplied wind profile radars and doppler radars and automatic weather stations to Indian Metrological Department and is one of the few companies in India who has the capability of designing and developing these radars *(Source: CRISIL Report)*.

We have five manufacturing facilities, including a 100% Export Oriented Unit ("**EOU**") in Telengana. We also have two R&D facilities, including a dedicated R&D center in Bengaluru for research and development of products in defence, security and civilian applications. Our R&D center in Bangalore has been recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India in 1994 and our manufacturing units are certified to meet ISO 9001:2015, ISO 27001:2013, ISO 45001:2018 and 14001:2015 standards as well as BS EN ISO 9001:2015 and AS9100D standards.

As a part of Government of India's ("**GOI**") recent emphasis on "Make in India" and "Aatmanirbhar Bharat" initiatives, the development of the domestic private defence sector has been emphasized upon. The GOI has put in place various initiatives encouraging Indian defence companies to source components locally and develop their products either through in-house R&D capabilities or develop and manufacture in India through foreign technology tie-up. We are well positioned to take advantage of these initiatives and improve our domestic orders. In accordance with the defence procurement procedure, as amended in 2020 we fall under the recently introduced category of capital procurement "Buy Indian-IDDM (Indigenously Designed, Developed and Manufactured)" which was introduced to promote the indigenous design and development of defence equipment. Further, as part of the Aatmanirbhar Bharat initiatives and to promote the private defence sector in India to manufacture these products using their own design and development capabilities, the Ministry of Defence has notified four positive indigenisation lists of sub-systems, assemblies, sub-assemblies and components along with a timeline for such products beyond which there would be an embargo on their import.

Further, the defence offset policy requires foreign vendors of certain categories of Indian defence contracts to *inter alia* source at least 30% of the value of the order from Indian manufacturers, subject to certain conditions prescribed therein. Our domain expertise and in-house capabilities has enabled us to be well poised to benefit from the offset requirements of foreign original equipment manufacturers ("**OEMs**") for manufacturing their products in India.

The following table set forth a breakup of our Company's revenue from operations on a standalone basis by each category of products for the periods indicated:

(in ₹ crores)

Revenue from sectors	For nine month period ended December 31, 2022	For the Financial Year		
		2022	2021	2020
Revenue from defence sector	347.48	333.08	177.98	72.15
Revenue from space sector	2.64	8.96	23.02	174.06
Revenue from meteorology sector	17.17	45.85	27.73	11.36
Revenue from exports (including deemed exports)	179.54	344.72	358.32	201.22

Revenue from sectors	For nine month period ended December 31, 2022	For the Financial Year		
		2022	2021	2020
Revenue from other sectors	4.10	2.35	2.10	2.79
Total revenue from operations	**550.93**	**734.96**	**589.15**	**461.58**

Our Company's order book as on December 31, 2022 on a standalone basis is ₹1,733.60 crores, of which ₹941.00 crores is from the defence sector clients.

A brief summary of our consolidated financial performance for the nine month periods ended December 31, 2022 and December 31, 2021 and the Financial years 2022, 2021 and 2020 are as follows:

(in ₹ crores)

	For nine month period ended		For the Financial Year		
	December 31, 2022	December 31, 2021	2022	2021	2020
Revenue from operations	557.07	511.02	750.46	640.91	467.2
Profit/(Loss) before tax	77.99	34.63	50.21	38.55	59.14
Net Profit/ (Loss) for the year/period	56.31	26.97	37.87	28.85	44.04

Our experienced management team is a great contributor to our Company's sustained performance. Majority of our Board has either been with our Company for over a few decades or has prior experience in divisions of the GOI, thus, bringing in years of domain experience and relevant client-servicing guidance and industry relations. Specifically, our Managing Director, Sonnapureddy Gurunatha Reddy and Joint Managing Director, Maram Venkateshwar Reddy have 30 years and 25 years of experience in our Company, respectively. The Chairman of our Board, Dr. Avinash Chander, was a secretary of Defence R&D and Director General at DRDO and brings invaluable industry knowledge. In addition, to our management team, we believe that our skilled work force comprising of a large number of research and development professionals and skilled employees provide us with the depth of expertise and skills required to manage our business. We believe that our qualified and experienced management team and technically skilled employee base have contributed to the growth of our operations and the development of in - house processes and competencies.

We have received several awards over the years that bear testimony to our client servicing abilities. Some of our awards include: 'Deftronics Award 2017' by the Indian Electronics & Semiconductors Association in 2017 and the 'Certificate of Merit' for our outstanding performance in business excellence by the Electronic Industries Association of India for 2016-2017. For further details see "- *Awards and recognitions*" on page 326.

Our Strengths

Domain expertise in microwave and radio frequency systems and applications

With over 30 years of domain expertise in microwave and radio frequency applications, our Company has moved up the value chain from manufacturing sub-systems to development and manufacturing a wide range of high-end, critical microwave and radio frequency application-based equipment such as Monolithic Microwave Integrated Circuit ("**MMIC**") products, multi object tracking radar and airborne radars. We work on high value complex projects awarded by public sector enterprises and DRDO and our domain expertise in development of critical microwave and radio frequency products with defence applications has enabled us to participate in several prestigious defence programs of India. We are one of the few private sector manufacturers in India with in-house capabilities of designing, developing and manufacturing critical microwave and radio frequency based equipment that find applications across defence, space, meteorology and telecom and civil communications sectors.

Our Company has been a supplier of Transmitter Receiver Modules ("**TRMs**"), which are built using MMICs designed and developed by us, to the Government of India as part of the Airborne Early Warning and Control System ("**AEW&CS**") programs. We have also supplied transportable wind profiler, doppler weather radars and automatic weather stations to Indian Meteorological Department and we are one of the few companies in India who has the capability of designing and developing these radars. We are also among the few companies in India to design, develop and supply radio proximity fuze, airborne diplexer, transponder, transmitter, and command guidance unit *(Source: CRISIL Report).*

Strong research and development capabilities

We have a dedicated research and development facility in Bengaluru with modern equipment, and a well-established team of over R&D professionals. We also have a research and development facility in Hyderabad at Unit-III. Across the two research and development facilities, we have over 455 R&D professionals. Over 71 professionals of our R&D team have a masters degree, two professionals hold doctorate degrees and over 100 of the professionals have decade-plus experience in the field of research and development of microwave and radiofrequency applications.

Our R&D facility in Bengaluru and in Unit-III has been recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

Our research and development team combined with our in-house capabilities have enabled us to create a strong track record of new product development and research and development of sub-systems for various defence, space and meteorological programs. We are one of the few private sector players in India that has the capability to develop and supply MMIC products. We have the capability of designing and developing Gallium Nitride ("**GaN**") TRMs and are currently working with defence agencies for incorporating such TRMs in modernizing existing radars of Su-30 Mk 1, LCA Mk 2 and AMCA fighter aircrafts *(Source: CRISIL Report)* We continue to invest in building and upgrading our research and development facility. During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, we have incurred research and development expenditure of ₹22.49 crores, ₹35.96 crores, ₹22.50 crores and ₹22.25 crores, respectively.

Advanced manufacturing facilities

Our five manufacturing facilities in Telangana house modern equipment and technologies and are certified to meet ISO 9001:2015, ISO 27001:2013, ISO 45001:2018 and 14001:2015 standards as well as BS EN ISO 9001:2015 and AS9100D standards. Further, the EMC test services of our Company has been certified to be in compliance with ISO/IEC 17025:2017 standard on general requirements for competence of testing and calibration laboratories.

Pursuant to our advanced manufacturing as well as research and development facilities, we have strong in-house capabilities to execute orders through Build to Specifications ("**BTS**") and Build to Print ("**BTP**") routes. It also enables us to undertake complex design, development and supply orders for critical microwave and radio frequency components. Recently we completed doppler weather radar production order for Indian Meteorological Department. We also delivered the first AAAU for airborne AESA radar, PATM-II and high and medium power radiation mode testing & evaluation facility for radar electronic warfare systems. We have also entered into a joint venture agreement with a foreign OEM to further deepen our development and manufacturing capabilities.

Longstanding relationship with our customers

We have long standing relationship with our customers across defence, space and meteorological sectors including various PSUs and government organisations including the DRDO, ISRO and IMD. We have been recognized as qualified vendor by defense research establishments. For instance, we develop and produce products for several DRDO systems with microwave and radio frequency applications. We also have strong relations with foreign OEMs and have been their preferred partner in India to meet the offset requirements.

Our domain expertise and over 30 years of experience in designing, developing and manufacturing microwave and radio frequency application-based products, has enabled us to develop a deep understanding of our customers' requirements. We have high client stickiness and retention due to the niche markets of defence and space with high barriers to entry. We continue to develop and/or deliver our products to various PSUs and government organisations including the DRDO, ISRO and IMD as well foreign OEMs.

Our Strategies

New product development to accelerate growth

We have a robust product pipeline consisting of the ongoing projects, including the development of S-band pulsed phased array tracking radar ("**PPTAR**") and the AATRU with electronic warfare application. Recently in 2022, we delivered the AAAU units that we had developed with DRDO for the AESAR, the airborne radar, in LCA aircrafts.

We continue to develop products in close association with government research organizations for defense and space. We believe we will be able to leverage our strong research and development capabilities to broaden our domestic offerings. We intend to grow our business by producing new and innovative products that enable us to deep our presence in existing segments and expand our product offerings to enter new market segments, such as commercial end-user market for radars. We believe we are well positioned to take advantage of the "make in India" initiatives, such as the recent the recent policy measures by Government of India promoting indigenous shipborne radars.

Continued focus on strengthening R&D capabilities

During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, we have incurred expenditure towards research and development of ₹22.49 crores, ₹35.96 crores, ₹22.50 crores and ₹22.25 crores, respectively. We shall continue to invest on building our research and development capabilities, with a focus on developing digital expertise to expand its product offerings to become a total system supplier. We shall continue to invest in modern technology and equipment's to address changing industry trends and customer requirements.

We continue to identify various strategic initiatives to improve our operational efficiencies and invest in modern technology and equipment to upgrade the quality and functionality of our products to address changing industry trends and customer requirements. We believe that it is critical for sub-system manufacturers to work closely with their key customers for designing, developing and production activities. A strong understanding of the customers' requirements based on their future product development programs is essential. To harness growing market opportunities and to maintain its lead position of a quality, reliable and cost-effective technology supplier, we intend to focus on enhancing our technical knowhow to the next generation by assimilation of technology and using our strong R&D capabilities.

Entering into joint ventures and strategic alliances

Our Company has in the past collaborated with Rafael Advanced Defence Systems ("**Rafael**") and set up Astra-Rafael Comsys Pvt Ltd ("**ARC**"), a joint venture company, which is the business of manufacturing high-end software defined radios, EW & SIGINT Systems and EO Systems. We recently entered into an agreement with Rafael, our JV partner, to expand our product offerings by taking up development, manufacture, integration, customisation and product support of electro optics systems in India. We shall continue to evaluate opportunities to collaborate with global OEMs by way of joint venture arrangements or strategic alliances and strengthen our technology, increase our product offerings and to utilise the opportunity in the current market pursuant to the offset requirement in large defence procurement programmes of GoI. We shall also consider similar opportunities with our established players to enter other markets such as anti-drone, satellites, SDRs and electro-optics.

To reap benefits of sectoral tailwinds and increase our domestic sales

The Government of India has taken a series of initiatives including "Make in India", "Atma Nirbhar Bharat" and imports embargo to promote indigenization of the defence sector. Further, Government of India's growing defence expenditure to modernize and strengthen homeland security along with the "Make in India" initiatives are expected to drive the growth in the defence manufacturing industry. In accordance with the defence procurement procedure, as amended in 2020 we fall under the recently introduced category of capital procurement "Buy Indian-IDDM (Indigenously Designed, Developed and Manufactured)" which was introduced to promote the indigenous design and development of defence equipment. Further, as part of the Aatmanirbhar Bharat initiatives and to promote the private defence sector in India to manufacture these products using their own design and development capabilities, the Ministry of Defence has notified four positive indigenisation lists of sub-systems, assemblies, sub-assemblies and components along with a timeline for such products beyond which there would be an embargo on their import.

With the increased demand for Indian manufacturers and our manufacturing and research and development capabilities, we shall focus on increasing the domestic sales of our products by expanding our product offerings and participating in the tenders from PSUs and government organisations for the development and manufacturing of the complete radar systems in future defence projects.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 37, 53, 353, 342 and 365, respectively.

Issuer	Astra Microwave Products Limited
Face Value	₹2 per Equity Share
Issue Price	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Floor Price	₹268 per Equity Share, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with resolution of our Shareholders passed by way of a postal ballot dated February 14, 2023, the results of which were declared on February 15, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to approximately ₹[●] crore, at a premium of ₹[●] each. A minimum of 10% of the Issue Size i.e. up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares will be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for allocation only to Mutual Funds, such minimum portion or part thereof may be Allotted to other QIBs.
Date of Board resolution	December 9, 2022
Date of Shareholders' resolution	February 14, 2023 through a postal ballot, the results of which were declared on February 15, 2023
Eligible Investors	QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179 of the SEBI ICDR Regulations, to whom this Preliminary Placement Document and the Application Form is circulated and who are eligible to Bid and participate in the Issue. FVCIs are not permitted to participate in the Issue. The list of QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by our Company in consultation with the Book Running Lead Managers at its discretion. For further details, see "*Issue Procedure – Qualified Institutional Buyers*" on page 342.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 365 and 59, respectively.
Indian taxation	See "*Taxation*" on page 368
Equity Shares issued and outstanding immediately prior to the Issue	8,66,11,675 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with rules made thereunder and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 342.
Listing and trading	Our Company has obtained in-principle approvals dated April 28, 2023 in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant, respectively. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-in	Not applicable. For details, see "*Placement – Lock-in*" on page 353.
Transferability restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, please see "*Transfer Restrictions*" on page 360.
Use of Proceeds	The gross proceeds from the Issue will be approximately ₹[●] crore. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹[●] crore. See "*Use of Proceeds*" on page 53 for additional information regarding the use of net proceeds from the Issue.
Risk Factors	See "*Risk Factors*" on page 37 for a discussion of risks you should consider before investing in the Equity Shares.
Closing Date	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about [●], 2023.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with

	the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, see "*Dividends*" and "*Description of the Equity Shares*" on pages 59 and 365, respectively.	
Security codes for the Equity Shares	ISIN	INE386C01029
	BSE Code BSE Symbol	532493 ASTRAMICRO
	NSE Symbol	ASTRAMICRO

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information extracted from our Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, prepared in accordance with the applicable accounting standards, Companies Act, 2013, as applicable, and presented in "Financial Information" on page 60. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 260 and 60, respectively, for further details.

SUMMARY OF CONSOLIDATED BALANCE SHEET

Summary of consolidated balance sheet information as at nine month period ended December 31, 2022 and March 31, 2022:

(₹ in crore)

Particulars	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	153.10	158.63
Intangible Assets	0.84	1.00
Capital Work-in Progress	0.00	0.08
Investment in Joint Venture	10.29	11.79
Investment in Associate	2.05	2.05
Other Financial Assets	13.05	9.23
Deferred Tax Assets (Net)	7.59	6.92
Non-Current Tax Assets	0.09	2.98
Other Non-Current Assets	5.62	2.85
Total Non-Current Assets	**192.66**	**195.58**
Current Assets		
Inventories	435.90	419.33
Financial Assets		
i. Trade receivables	320.58	205.08
ii. Cash and cash equivalents	10.96	27.48
iii. Other bank balances	55.62	50.01
iv. Other financial assets	1.94	4.53
Current Tax Assets (Net)	5.37	1.12
Other Current Assets	59.00	65.38
Total Current Assets	**889.38**	**772.94**
Total Assets	**1082.05**	**968.52**
EQUITY AND LIABILITIES		
EQUITY		
Equity Share capital	17.32	17.32
Other Equity	613.64	568.27
Equity Attributable to owners of the Company	**630.97**	**585.59**
Non controlling interest	0.00*	0.00*
Total Equity	**630.97**	**585.59**
LAIBILITIES		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	0.00	3.35
Provisions	3.68	4.29
Contract Liabilities	39.41	39.63
Total Non-Current Liabilities	**43.10**	**47.27**
Current Liabilities		
Financial Liabilities		
Borrowings	208.18	67.04
Trade Payables		
(a) total outstanding dues of micro and small enterprises	7.51	9.45
(b) total outstanding dues other than micro and small enterprises	58.14	45.93
Other Financial Liabilities	15.86	15.52
Provisions	2.93	3.54
Current Tax Liabilities (Net)	6.58	0.05
Other Current Liabilities	1.62	2.23
Contract Liabilities	107.14	191.86
Total Current Liabilities	**407.98**	**335.65**
TOTAL Liabilities	**451.08**	**382.93**
TOTAL Equity & Liabilities	**1082.05**	**968.52**

**Less than 0.01*

Summary of consolidated balance sheet information for the last three Financial Years:

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	158.63	152.43	160.71
Intangible Assets	1.00	0.28	-
Capital Work-in Progress	0.08	-	12.05
Investment in Joint Venture	11.79	14.09	13.18
Investment in Associate	2.05	2.00	-
Other Financial Assets	9.23	11.35	11.40
Deferred Tax Assets (Net)	6.92	2.78	1.33
Non-Current Tax Assets	2.98	-	5.77
Other Non-Current Assets	2.85	2.87	2.31
Total Non-Current Assets	**195.58**	**185.82**	**206.78**
Current Assets			
Inventories	419.33	329.61	283.54
Financial Assets			
i. Investments	-	14.10	13.05
ii. Trade receivables	205.08	266.82	249.36
iii. Cash and cash equivalents	27.48	17.52	9.08
iv. Other bank balances	50.01	25.01	44.15
v. Other financials assets	4.53	12.88	0.46
Current Tax Assets (Net)	1.12	1.12	-
Other Current Assets	65.38	92.42	88.94
Total Current Assets	**772.94**	**759.46**	**688.58**
Total Assets	**968.52**	**945.29**	**895.37**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17.32	17.32	17.32
Other equity	568.27	541.38	522.83
Equity Attributable to owners of the Company	585.59	558.71	540.15
Non Controlling Interest	0.00*	0.00*	0.00*
Total equity	585.59	558.71	540.15
LAIBILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	3.35	-	-
Provisions	4.29	3.98	3.51
Contract Liabilities	39.63	-	-
Total Non-Current Liabilities	**47.27**	**3.98**	**3.51**
Current Liabilities			
Financial Liabilities			
Borrowings	67.04	121.55	54.86
Trade Payables			
(a) total outstanding dues of micro and small enterprises	9.45	3.21	0.82
(b) total outstanding dues other than micro and small enterprises	45.93	34.51	60.31
Other Financial Liabilities	15.52	12.04	16.45
Provisions	3.54	2.00	1.81
Current Tax Liabilities (Net)	0.05	1.55	2.49
Other Current Liabilities	2.23	4.82	5.29
Contract Liabilities	191.86	202.89	209.64
Total Current Liabilities	**335.65**	**382.60**	**351.70**
TOTAL Liabilities	**382.93**	**386.58**	**355.21**
TOTAL Equity & Liabilities	**968.52**	**945.29**	**895.37**

**less than 0.01*

SUMMARY STATEMENT OF PROFIT AND LOSS

Summary of consolidated profit and loss for the nine month periods ended December 31, 2022 and December 31, 2021:

(₹ in crore)

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
INCOME		
Revenue from Operations	557.07	511.02
Other income	4.51	4.53
TOTAL INCOME	**561.58**	**515.56**
EXPENSES:		
Cost of Materials Consumed	359.62	435.42
Changes in Inventories of Work-in-progress, Stock-in Trade and Finished Goods	(20.61)	(79.97)
Employees Benefit Expenses	67.78	55.38
Finance Cost	20.89	16.51
Depreciation and amortisation expenses	17.38	15.84
Other expenses	36.92	36.63
TOTAL EXPENSES	**482.00**	**479.82**
Share of loss from Joint Venture and Associate accounted for using the equity method	(1.59)	(1.11)
Profit Before Tax	**77.99**	**34.63**
Tax Expense		
- Current tax	22.09	11.70
- tax of earlier years	0.48	-
- Deferred tax credit	(0.88)	(4.04)
Net Profit for the period	56.30	26.97
Earnings per Equity Share (in Rs.)		
a) Basic	6.50	3.11
b) Diluted	6.50	3.11

Summary of consolidated profit and loss for the last three Financial Years.

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year endedMarch 31, 2020
INCOME			
Revenue from Operations	750.46	640.91	467.22
Other income	6.37	10.86	12.16
TOTAL INCOME	**756.84**	**651.77**	**479.38**
EXPENSES:			
Cost of Materials Consumed	542.09	486.21	333.54
Changes in Inventories of Work-in-progress, Stock-in Trade and Finished Goods	(14.89)	(40.34)	(68.26)
Employees Benefit Expenses	80.62	71.37	71.49
Finance Cost	21.08	23.12	8.46
Depreciation and amortisation expenses	22.04	23.54	25.75
Other expenses	53.41	46.47	47.96
TOTAL EXPENSES	**704.37**	**610.38**	**418.95**
Profit/(Loss)before tax and Share of profit from Joint Venture(JV) & Associate	52.46	41.38	60.43
Share of Profit/(loss) from JV	(2.30)	(2.84)	(1.29)
Share of Profit/(loss) from Associate	0.05	0.00	0.00
Profit Before Tax	**50.21**	**38.54**	**59.13**
Tax Expense			
- Current tax	16.00	11.51	20.00
- Tax of earlier years	0.24	(0.32)	0.00*
- Deferred tax credit	(3.90)	(1.49)	(4.90)
Net Profit for the period	37.87	28.85	44.04
Earnings per Equity Share (in Rs.)			
a) Basic	4.37	3.33	5.08
b) Diluted	4.37	3.33	5.08

**less than 0.01*

SUMMARY STATEMENT OF CASH FLOWS

Summary of statement of cash flow information for the nine month periods ended December 31, 2022 and December 31, 2021

(in ₹ crore, unless otherwise specified)

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Cash Flows from Operating Activities		
Profit before tax	77.99	34.63
Adjustments for:		
Depreciation and amortisation expense	17.38	15.84
Finance Costs	20.89	16.51
Interest Income	(2.21)	(1.59)
Commission on Corporate Guarantee	(0.08)	-
Share of Loss from Joint Venture and associate	1.58	1.10
(Gain)/Loss on sale of Investments (Net)	-	(0.48)
(Gain)/Loss on disposal of property, Plant & Equipment	(0.01)	(0.01)
Unrealised Exchange loss/(gain)	0.74	(0.16)
Changes in Expected Credit loss	(0.41)	1.41
Operating Profit before Working Capital changes	**115.88**	**67.25**
Movements in Working Capital:		
(Increase)/Decrease in Inventories	(16.56)	(107.76)
(Increase)/Decrease in Trade Receivables	(114.29)	47.47
(Increase)/Decrease in Other Financial Assets	(0.52)	0.41
(Increase)/Decrease in other Non-Current Assets	(1.66)	0.10
(Increase)/Decrease in other Current Assets	6.38	9.50
Increase/(Decrease) in Trade Payables	9.30	4.81
Increase/(Decrease) in Provisions	(0.39)	0.21
Increase/(Decrease) in Other Financial Liabilities	0.72	(2.75)
Increase/(Decrease) in Contract Liabilities	(91.37)	5.02
Increase/(Decrease) in Other Current Liabilities	(0.60)	(2.93)
Cash generated from/(used in) operating activities	**(93.12)**	**21.35**
Income Tax Paid	(17.39)	(15.72)
Net Cash generated from/(used in) operating activities	**(110.51)**	**5.62**
Cash Flows from Investing Activities		
Payments for Property, Plant and equipment	(13.59)	(25.03)
Proceeds from sale of Property, Plant and equipment	0.03	0.01
Proceeds from sale of Current Investments	-	14.57
Proceeds from maturity of/(Investment in) margin money deposits against Bank Gurantees and movement in unpaid dividend account.	(5.87)	(11.17)
Interest Received	1.78	1.56
Net cash used in Investing Activities	**(17.65)**	**(20.04)**
Cash Flows from Financing Activities		
Proceeds from Long Term Borrowings	-	14.14
Repayment of Long Term Borrowings	(1.96)	-
Proceeds from Short Term Borrowings	139.74	17.22
Finance Cost Paid	(13.92)	(11.95)
Dividend Paid	(12.19)	(10.43)
Net cash generated from Financing Activities	**111.65**	**8.98**
Net Decrease in cash and cash equivalents	**(16.51)**	**(5.43)**
Cash and Cash equivalents at the beginning of the period	**27.47**	**17.51**
Cash and Cash equivalents at the end of the period	**10.95**	**12.07**

Summary of statement of cash flow information for the last three Financial Years.

(in ₹ crore, unless otherwise specified)

Particulars	For the years ended		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Cash Flow from Operating Activities			
Profit/ (Loss) before tax	50.21	38.54	59.13
Adjustments for:			
Depreciation expense	22.04	23.54	25.75
Finance Cost	21.08	23.12	8.46
Interest Income	(2.25)	(2.41)	(3.27)
Share of (Profit)/Loss from Joint Venture & Associate	2.25	2.83	1.28
(Gain)/Loss on fair valuation of financial assets	-	(1.04)	(0.82)
(Gain)/Loss on sale of investments (net)	(0.48)	-	(2.50)
(Gain)/Loss on disposal of property, plant and equipment	(0.01)	0.02	(0.04)
Unrealised exchange (gain)/Loss	0.15	(0.89)	(3.12)
Changes in expected Credit Loss	4.24	(1.16)	3.77
Operating Profit before Working Capital changes	**97.23**	**82.55**	**88.64**
Changes in assets and liabilities:			
(Increase)/Decrease in Inventories	(89.72)	(46.06)	(143.77)
(Increase)/Decrease in Trade Receivables	57.57	(14.96)	(56.30)
(Increase)/Decrease in other Financial Assets	0.38	-	(0.32)
(Increase)/Decrease in other Non-Current Assets	-	(0.81)	(0.10)
(Increase)/Decrease in other Current Assets	27.03	(3.47)	(68.36)
Increase/(Decrease) in Trade Payable	17.59	(23.46)	35.44
Increase/(Decrease) in Provisions	0.88	0.86	0.71
Increase/(Decrease) in other Financial Liabilities	2.15	0.80	1.15
Increase/(Decrease) in Contract Liabilities	24.94	(13.59)	152.78
Increase/(Decrease) in Other current Liabilities	(2.59)	(0.47)	0.73
Cash generated from/(used in) operating activities	135.49	18.61	(10.60)
Income tax paid	(20.82)	(7.76)	(17.89)
Net cash generated from/ (used in) operating activities	**114.67**	**26.38**	**(7.28)**
Cash Flow from Investing Activities			
Payments for property, plant and equipment	(27.93)	(3.68)	(19.42)
Proceeds from sale of property, Plant and Equipment	0.05	0.01	1.38
Purchase of Current Investments	-	-	(215.00)
Proceeds from sale of Current Investments	14.57	-	225.51
Proceeds from maturity of/(investment in) Margin Money deposits against Bank Gurantees	(14.73)	5.09	(24.22)
Interest received on deposits with banks against bank gurantees	2.06	3.56	1.53
Investment in Equity Shares of Joint Venture	-	(3.75)	-
Investment in Equity Shares of Associate	-	(2.00)	-
Net Cash flow /(used in) Investing Activities	(25.97)	(0.76)	(30.21)
Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings	14.60	-	-
Repayment of Long-Term Borrowings	-	(4.75)	(9.61)
Proceeds from Short Term Borrowings	944.36	988.71	1024.09
Repayment of short-term Borrowings	(1010.11)	(922.02)	(971.77)
Finance Cost Paid	(17.15)	-	(3.33)
Dividend Paid	(10.43)	(10.39)	(2.16)
Dividend Tax Paid	-	-	(0.44)
Net cash from / (used in) Financing Activities	**(78.74)**	**35.57**	**36.77**
Net increase/(decrease) in cash and cash equivalents	9.96	**8.43**	**(0.72)**
Cash and Cash equivalents at the beginning	**17.51**	**9.08**	**9.81**
Cash and Cash equivalents at the End	27.47	17.51	9.08

For details of reservations, qualifications, matters of emphasis or adverse remarks in the last three Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications, matters of emphasis or adverse remarks, see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Reservations, qualifications or adverse remarks by Statutory Auditors*" and "*Risk Factors*" on page 283 and 37.

Also see, "*Risk Factors - Our statutory auditors have included certain emphasis of matters in relation to our Company in our Financial Year 2021 Audited Consolidated Financial Statements, Financial Year 2020 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements*" on page 44.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the nine month periods ended December 31, 2022, December 31, 2021 and the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020, as per the requirements under Related Party Disclosures (Ind AS 24), see "*Financial Information - Unaudited Interim Condensed Consolidated Financial Statements - Note 8*", "*Financial Information - Fiscal 2022 Audited Consolidated Financial Statements - Note 30", "Financial Information - Fiscal 2021 Audited Consolidated Financial Statements – Note 30" and "Financial Information - Fiscal 2020 Audited Consolidated Financial Statements - Note 30"*on pages 73, 121, 182 and 242, respectively.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. These risks and additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair and adversely affect our business prospects, cash flows, results of operations and financial condition. In order to obtain a complete understanding about us, prospective investors should read this section in conjunction with the sections "Financial Information", "Industry Overview" "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 60, 285, 315 and 260, respectively. Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any investment decision. In making an investment decision, prospective investors must rely on their own examination of our Company on a consolidated basis and the terms of the Issue, including the merits and risks involved. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions.

You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

This Preliminary Placement Document also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. Please see "Forward Looking Statements" on page 14.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Consolidated Statements and the Unaudited Interim Consolidated Condensed Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 60 and 260, respectively.

Risks Relating to Our Business

1. ***We are dependent on and derive a substantial portion of our revenue from a small number of customers, especially GoI related programmes and agencies and any loss of business from these customers may adversely affect our cash flow, results of operations and financial condition.***

We are engaged in the business of designing, developing and manufacturing microwave and radio frequency systems, sub-systems and components. We have in the past and continue to derive a significant portion of our revenue from a limited number of customers. Our top five customers and GoI related programmes and agencies contributed to our revenue from operations in the following manner:

	Percentage contribution towards revenue from operations for the Fiscal/ period			
	Nine months period ended December 31, 2022	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Top five customers	58	77	79	81
GoI related programmes and agencies basis contracts awarded to us	63.75	45.06	34.09	15.73

The lack of commitment from these customers to place orders with us or loss of these customers or a loss of revenue from sales to these customers may materially affect our cash flow, financial condition, results of operations and cash flows.

There is no assurance that we will be able to maintain our present relations with these customers, win contracts in the future, maintain historic levels of business from these existing customers, or replace our customer base in a timely manner or at all, in the event our existing customers do not continue to purchase products manufactured by us.

Given that we derive a significant portion of our revenue from GoI related programmes and agencies, we are exposed to various risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition. These risks include:

- delays in payment due to the time taken to complete internal processes of PSUs and government entities;

- time and/ or cost overruns on the contracts and levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;

- tenders for GoI related programmes and GoI agencies are awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning such tenders difficult. In addition, if we have to lower our pricing in order to win tenders, it would exert pressure on our margins;

- reduction of orders placed or otherwise modification in contracts or sub-contracts;

- the tender process is long and may be subject to significant delays and/or renegotiation of the terms of the bid or lowering the price for products and services included in the tender;

- political and economic factors such as pending elections, changes in government policies or initiatives, revisions to tax policies, reduced tax revenues and changes in budgetary allocation or the insufficiency of funds can affect the number and terms of new government contracts signed; and

- terms and conditions of contracts with GoI related programmes and agencies, including requests for proposals and tenders tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts. Further, GoI related programmes and agencies generally also contain unilateral termination provisions in favour of the government.

We cannot assure you that in future such contracts with GoI related agencies can be completed profitably or on terms that are commercially acceptable to us. Any time and/or cost overruns on our contract or imposition of liquidated damages could have a material adverse effect on our business, results of operations and financial conditions. Further any time and/or cost overrun on our contracts may have an adverse impact on our profitability, results of operations and financial conditions.

2. ***We have not entered into any long term contracts with our customers***

Our Company has not entered into long term arrangements with our customers. We may not be successful in entering into subsequent arrangements with our existing customers as the award of project is dependent on various factors. Further, there is no guarantee that our Company will be able to negotiate subsequent agreements at the present rates which may adversely impact our profitability and financial conditions.

Given that a large number of our customers are government entities, we do not have any agreements with them. A purchase order is typically raised by a government entity for every individual project after a tender has been awarded to our Company and the validity of such purchase orders typically ranges from eight months to two years. In the future, we may not be in a position to competitively bid for such tenders and be awarded such purchase orders. Any of the foregoing, non-renewal of agreements, loss of purchase orders and customers which may adversely affect our business, cash flows and profitability.

3. ***Our business is dependent on our manufacturing facilities, and the loss, shutdown or slowdown of operations at any of our manufacturing facilities or underutilization of our manufacturing capacities may have a material adverse impact on our results of operations.***

We have five manufacturing facilities located in Hyderabad, India, on land leased or owned by us for manufacturing of all our products. Our business is dependent upon our ability to manage our manufacturing facilities which are subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, severe climate conditions, natural disasters and industrial accidents. Any significant malfunction or breakdown of our equipments may entail significant repair and maintenance costs and cause delays in our operations. The occurrence of any of these risks in the future would materially impact our operations and ability of our Company to fulfil its contractual obligations in a timely manner or could adversely impact our financial conditions. In addition, we may be required to carry out planned slowdown or shutdowns of our facilities for maintenance and testing or may shut down certain facilities for capacity expansion and equipment upgrades. Utilization rates at our manufacturing facilities are subject to various factors including availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning and capacity utilization. An inability to utilize our manufacturing facilities to their full or optimal capacity or non-utilization of such capacities due to slowdown or shutdowns may adversely affect our business, results of operations and financial condition.

Additionally, all five manufacturing facilities are located in Hyderabad and concentrated within a particular city. Any issues related to logistics, power shutdowns, natural calamities in the state or the city could adversely affect the operations of the Company as we do not have presence in any other state.

4. ***Our manufacturing activities require deployment of labour and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.***

The business of our Company is labour intensive and our manufacturing operations require deployment and our ability to retain labour. In the event of any labour unrest, strikes, or other slowdowns at one or more of our manufacturing facilities may cause us to experience a significant disruption of our operations and to pay penalties for the late delivery of our products. Additionally, unrest or strikes associated with our operations could also damage our reputation with customers or in the market generally. While we strike to maintain good relations with our work force, any such events in the future could adversely affect the operations of our business.

5. ***Increased cost of raw materials and inadequate supply may affect our business and results of operations. Further, we are dependent on third parties for the timely supply of raw materials to our facilities and delivery of our products to our customers, which are subject to uncertainties and risks.***

We are dependent on third party suppliers outside India for the supply of certain of our raw materials especially capacitors, integrated circuits, Phase Locked Directional Resonator Oscillator, Temperature Compensated Crystal Oscillator direct current converters and power supply modules. Further, we spent the following amount on import of raw materials:

For the nine months period ended December 31, 2022		Fiscal ended					
		March 31, 2022		March 31, 2021		March 31, 2020	
₹ in crore	Percentage of total raw materials acquired (%)	₹ in crore	Percentage of total raw materials acquired (%)	₹ in crore	Percentage of total raw materials acquired (%)	₹ in crore	Percentage of total raw materials acquired (%)
212,46	64.55	422	80.52	167	34.52	134.74	5.27

The supply of these raw materials may be impacted due to export restrictions by foreign countries. Further, we faced certain delays in procurement of raw materials during the COVID-19 lockdowns. While these did not materially impact our timelines to complete projects, any such delays in the future could adversely affect our project timelines. Our ability to identify and build relationships with reliable suppliers contributes to our growth and the successful and timely completion of our projects. Further, the prices and supply of raw materials may depend on factors beyond our control, including, *inter alia*, availability, economic conditions, exchange rates, production levels, transportation costs and import duties. Any disruption of our suppliers' operations and/or inadequate availability of quality raw materials could result in delay in our manufacturing process and adversely affect our reputation, business and results of operations. There can be no assurance that we will be able to replace such suppliers on commercially acceptable terms, or at all, which could adversely affect our production schedule, volumes and profitability. Further, in case of increase in the cost of raw materials, if we are unable to pass such increased costs to our customers, this could have a material adverse effect on our results of operations.

Further we also use third-party transportation services for the supply of raw materials to our manufacturing facilities. Disruptions of transportation services due to reasons such as natural disasters, strikes by transport unions, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to source raw materials and our ability to supply our products to our customers in a timely manner. In addition, some of our raw materials and products are imported and therefore subject to risks associated with transhipment of such products. There can be no assurance that such disruptions will not take place in the future and any such disruptions may adversely impact our cash flows, profitability and results of operations. In addition, significant increases in transportation costs due to various reasons such as increase in crude oil prices may adversely impact our profitability and results of operations.

6. ***We have substantial capital expenditure and high working capital requirements and our inability to meet such requirements could have a material adverse impact on our business, results of operations and financial conditions.***

Our business is capital intensive as we are required to upgrade our manufacturing facilities on a continuous basis, increase our product portfolio and invest in research and development of new technologies and products. We incurred the following towards capital expenditure requirements:

(₹ in crore)

	Financial Year		
	2022	2021	2020
Additions to property, plant and equipment	28.13	15.58	9.63

The amount we require for future capital requirements may differ and depend on various factors including technological advancements, unanticipated expenses due to wear and tear or accidents or cost overruns. In case we are unable to finance such future capital expenditure requirements it could reduce our productivity, slow-down our operations and adversely impact our financial conditions.

Our business requires working capital for day-to-day operations, procurement of raw materials, and production processes. In many cases, we are required to incur such working capital expenditure prior to receiving payments from customers, which may come through several months after we commence work on particular projects. While our typical debtor cycle is 120 days, in certain instances, we receive payments (i) on milestone basis; (ii) once accepted at the end of the OEM; (iii) within 30 days after receipt of material at the site, (iv) certain percentage of payment of the order value will be paid against submission of a bank guarantee(v) in case of projects with customers from the metrology sector, payments are only realised over a period of five years from the date of final acceptance of products. During the nine months period ended December 31, 2022 and Financial Years 2022, 2021 and 2020, our Company incurred ₹442.67 crore, ₹778.87 crore, ₹611.65 crore and ₹400.89 crore, respectively, towards its working capital requirements. Our working capital requirements may increase if, under certain orders from our customers, payment terms do not include advance payments or such orders have payment schedules that shift payments toward the end of the order or otherwise increase our working capital requirements. We typically meet our working capital requirements through financing arrangements availed by us. As at December 31, 2022, our total working capital loans and cash credit facity amounted to ₹195.55 crore. Our ability to arrange working capital financing in the future is dependent on numerous factors, including credit availability from banks, investor confidence, the continued success of our current projects and laws that are conducive to our raising capital in this manner. If we are unable to complete future financings successfully or on terms favourable to us, it may have an adverse impact on our profitability and results of operation.

7. ***We provide products which are subject to technological obsolescence. Any failure to adapt to industry trends and evolving technology to meet our customer's demands, or the failure of our research and development efforts may materially hinder our growth and adversely affect our business and results of operations.***

Our industry is characterized by ongoing innovations and developments in designing, developing and manufacturing radio frequency systems, microwave chips, microwave based components, subsystems and systems and associated digital electronics. Competitors could develop new or superior designs, subsystems and systems to increase their share of the markets, leading to the loss of projects by our Company. Our future success in addressing the needs of our customers will depend in part on our ability to continue to make timely and cost-effective product innovations and developments. In the event that we are unable to adequately fund our research and development efforts, which may lead to our technologies and machineries become obsolete or are unable to retain/hire skilled talent for our initiatives, or are unable to deliver superior or equal quality products in lines with our competitors or in a timely manner, we may be unable to achieve our growth plans and our revenues and results from operations may be adversely affected.

Further, in order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. During the nine months period ended December 31, 2022 and Financial Years 2022, 2021 and 2020, our Company incurred ₹22.49 crore, ₹35.96 crore, ₹22.50 crore and ₹22.25 crore, respectively towards research and development. Additionally, we may not be in a position to finance our research and development expenditure in the future and our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. If such events occur in the future, it may adversely impact our profitability and results of operations.

8. ***We have entered into joint ventures and strategic alliances in the past and we may continue to enter into similar joint ventures and strategic alliances with third parties which may entail certain risks.***

In the ordinary course of business, we have in the past, and may in the future, enter into joint ventures with domestic as well as international companies, to extend our domain knowledge. We need the cooperation and consent of our joint venture partners in connection with the operations of our joint venture, which may not always be forthcoming and we may not always be successful at managing our relationships with such partners. The success of these joint ventures depends significantly on the satisfactory performance by the joint venture partners and fulfilment of their obligations. If our joint venture partners fail to perform these obligations satisfactorily in the future, we may be required to make additional investments and/or provide additional services to ensure fulfilment of our contractual obligations. These additional obligations could result in reduced profits or, in some cases, significant losses for our Company which may adversely impact our financial condition. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we bear increased and possibly sole responsibility for the completion of the project and bear a concomitant increase in the financial risk of the project.

Further, the agreements governing our joint venture may permit us partial control over the operations of the joint venture under certain circumstances. We may require the affirmative consent of our joint venture partners to make significant decisions such as entering or terminating any contract beyond a prescribed value, change in nature or expansion of business, approval of which could result in delays in obtaining contracts for big projects. Alternatively, we may be required to obtain consent from a minority joint venture partner before we can cause the joint venture to make or implement a particular business development decision or to distribute profits to us. Any delays in obtaining such consents may limit our flexibility to make decisions relating to the corresponding projects and cause delays which may adversely affect our results of operations. Additionally, there could be certain restrictions in place for the transfer of securities of our joint ventures which may adversely impact our ability to exit the joint venture and affect our profitability and results of operations. Further, in case of transfer, the other joint venture partner has a right of first refusal.

9. ***Our business is largely dependent on contracts from GoI related entities including defence public sector undertakings and government organizations involved in space research. A decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes or any adverse change in the GoI's defence or space related policies will have a material adverse impact on our business.***

We are engaged in the business of designing, developing and manufacturing microwave and radio frequency systems, sub-systems and components for defence and space applications. Consequently, our business is highly dependent on projects and programmes undertaken by GoI and associated entities, such as defence public sector undertakings and government organizations involved in space research (collectively, the "**GoI Entities**"). We derived 63.75%, 45.06%, 34.09% and 15.73% of our revenue from operations for the nine months period ended December 31, 2022 and Fiscals 2022, 2021 and 2020, respectively from sales made to the GoI Entities. Further, our Company's order book as at December 31, 2022 on a standalone basis is ₹1,733.60 crore.

Further, our contracts depend upon the continuing availability of budgets extended to the Ministry of Defence ("**MoD**") and the Department of Space ("**DoS**"). While there is an increase in the total defence and space allocations over a period of time, the level of defence and space spending and changes in the tax policies by the GoI in the future is difficult to predict and may be impacted by numerous factors such as the evolving nature of the national security concerns, foreign policy, domestic political environment and macroeconomic conditions. A decline or reprioritisation of the Indian defence or space budget, changes in GoI Entities defence or space requirements and geo-political circumstances, reduction in orders, termination of existing contracts, delay of existing contracts or programmes will have a material adverse impact on our business.

10. ***We depend on our senior management and other key managerial personnel with technical expertise, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate and grow our business may be adversely affected.***

Our performance and success depends to a large extent on the continued services of our experienced senior management team, executive directors and other key managerial personnel with technical expertise who have made significant contributions to the growth of our business. We believe that the inputs and experience of our professionals is valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our management team will not leave us or join a competitor and in the event that they no longer work with us. There is no assurance that we will be able to find suitable replacements for such key managerial personnel in a timely manner or at all and implement a smooth transition of responsibilities to any newly appointed key managerial personnel. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our results of operations.

We are a technology driven company with significant focus and investment in our in-house research and development capabilities. Our future success, amongst other factors, will depend upon our ability to continue to attract and retain qualified personnel, particularly doctorates for our Research & Development Facility, know-how and skills that are capable of helping us develop technologically advanced systems and support key customers and products. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. We may require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations and our revenue could decline. This could have an adverse effect on our business and results of operations. We will also have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us which may adversely impact our profitability and results of operations.

11. ***We may suffer uninsured losses or experience losses exceeding our insurance limits. Further, any deficiency in the quality of our products may expose us to claims and penalties which could have an adverse effect on our financial condition.***

Our Company's operations at our manufacturing facilities are subject to inherent risks such as fires, natural disasters, theft, personal injury, damage to our machinery and/ or destruction to our premises due to factors out of our control. For example, during February, 2022, due to a fire in a factory adjacent to our Manufacturing Unit I, our stocks were damaged for which we received a partial claim from our insurance provider. While we believe that the amount of our insurance coverage is adequate based on management assessment, our insurance policies do not cover all risks and are subject to exclusions and deductibles, and may not be sufficient to cover all damages, whether foreseeable or not. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage of the loss. If any or all of our manufacturing facilities and warehouses are damaged in whole or in part, our operations may get interrupted, totally or partially, for a temporary period.

If any of our products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. In addition, we may incur liability for defective products, product recalls, and delays in delivery or fulfilling contracts. There can be no assurance that our customers or unrelated third parties will not make claims against us in the future that may result in negative profitability and adverse publicity. In case of any such product liability claims in the future, there can be no assurance that any product liability insurance we may obtain will be sufficient to indemnify us against such liabilities which may adversely impact our cash flow, results of operations and financial condition.

12. ***Our manufacturing facilities are subject to stringent quality checks, environmental laws and regulations that could cause us to incur significant costs. Any non-compliances on our part may adversely impact our operations, business and financial conditions.***

Our manufacturing facilities, are subject to a broad range of safety, health, environmental, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of certain substances, noise emissions and air and water discharges. For example, local laws in India limit the amount of hazardous wastes that our manufacturing facilities may release. The discharge of hazardous waste beyond prescribed limits may require us to incur costs to remedy the damage caused, pay fines or other penalties for non-compliance or cause the temporary closure of our manufacturing facilities which could adversely impact our ability to complete our projects in a timely manner or at all. Material future expenditures may be necessary if compliance standards change, if material unknown conditions that require remediation are discovered or if required remediation of known conditions becomes more extensive than expected. Environmental laws could also restrict our ability to expand our facilities or could require us to acquire costly equipment or to incur other significant expenses in connection with our manufacturing processes. Additionally, our manufacturing facilities are certified by international standards of quality management systems such as ISO 140001:2015 and 1400:2018. Any loss of such certifications could lead to loss of future projects.

Given that we derive a significant portion of our total sales from contracts with GoI related agencies and that we will continue to cater to GoI related agencies, we are exposed to various risks inherent in doing business with GoI related agencies. These risks include participation in GOI Entities contracts could subject us to stricter regulatory requirements which may increase our compliance costs and adversely impact our profitability and results of operations.

13. ***We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for our business operations from time to time. Any failure or delay to obtain or renew them may adversely affect our operations.***

We are required to obtain and maintain certain statutory and regulatory permits, licenses and approvals under central, state and local government rules in India to carry out our business operations and applications for their renewal need to be made within certain timeframes such as, *inter alia*, license to work a factory under the Factories Act, 1948, certificate of registration from Department of Scientific and Industrial Research, Ministry of Science and Technology. While we maintain a robust internal system to ensure compliance with such regulations, some of our licenses and approvals may expire in the ordinary course of business for which our Company is in the process of renewing the same. We cannot assure you that we will receive these approvals in a timely manner or at all which may adversely impact our operations and our ability to complete our projects in a timely manner.

14. ***The contracts in our Order Book may be adjusted, cancelled or suspended by our customers and, therefore our Order Book is not necessarily indicative of our future revenues or profit.***

As on December 31, 2022, our Company's order book on a standalone basis is ₹1,733.60 crore. There can be no assurance that our order book will actually be realized as revenues or, if realized, will result in profits. All of our contracts are subject to cancellation, termination, or suspension at the discretion of the customer at any stage of the contract. In addition, the contracts in our order book are subject to changes in the scope of services and products to be supplied as well as adjustments to the costs relating to the contracts or place of delivery. Projects can remain in order book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. There may also be disputes in relation to our order book. Any delay, cancellation, dispute or payment default could adversely affect our business, results of operations and financial condition. For more information on our order book, see "*Our Business – Order Book*" on page 324.

15. ***An inability to successfully manage our international operations could adversely affect our business and results of operations.***

Our international operations especially through our Subsidiary, Aelius Semiconductors, are subject to political, economic, regulatory and other risks of conducted business in those jurisdictions, including uncertain political instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that we may be familiar with in India. Aelius Semiconductors is incorporated in Singapore and is in the business of marketing development, manufacturing and sale of MMICs. While the current revenue contribution from Aelius Semiconductors towards our revenue from operations is negligible, as the business grows, any slowdown, stoppages or production inefficiencies suffered by Aelius Semiconductors may result in financial and other losses affecting our business and results of the operations. Further, different legal and tax regimes applicable in jurisdictions outside India may impact our financial statements. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws of such jurisdictions, costs for which could be higher than what we incur in India and may adversely impact our profitability and results of operations.

16. ***The Company has substantial borrowings from various lenders and is obliged to comply with certain loan covenants.***

As at December 31, 2022, the total borrowings of the Company was ₹208.18 crore. To meet its capital expenditure and working capital requirements, our Company avails funds from various financial institutions on an ongoing basis. Our Company is obliged to comply with certain restrictive covenants under loan agreements with various agencies and lenders, including a requirement to obtain consent for certain actions including, *inter alia*, raising additional capital, change in ownership/ control/ management (including by pledge of promoter/sponsor shareholding in the Company to any third party), change in nature of business or undertaking of any expansion or investment in any other entity by the Company, issue of any further share capital. The Company is currently in compliance with these covenants in all material respects but there is no assurance that the Company will continue to be in compliance in all material respects with these covenants or at all. In the event the Company is unable to comply with such restrictive covenants, it may trigger events of default requiring it to declare that all or part of its loan obligation be immediately payable' to appoint a nominee/observer on the board of our Company, to enforce the security. If the Company's debt obligations are accelerated, it will face significant liquidity constraints, and may be unable to comply with all of its repayment obligations. In addition, the Company's borrowings are secured by its assets, and the acceleration of loan repayments could result in foreclosure on the mortgages or security interests held by lenders over such assets. Such defaults may also curtail the ability of the Company to incur additional debt in the future which may impact the Company's financial condition and results of operations.

17. ***Our Company is involved in certain legal proceedings which, if adversely determined, may materially impact our reputation, financial conditions and results of operations.***

There are certain outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before certain courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse judgment in any of these proceedings could have an adverse impact on our business, financial condition and results of operations. For further details, see "*Legal Proceedings*" on page 370.

18. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially result in conflicts of interest.***

We have entered into various transactions with related parties, including for payment of salaries and wages of key managerial persons.

Further, the percentage of the aggregate value of such related party transactions (income and expenses) to our total income in the nine months period ended December 31, 2022 and Financial Years 2022, 2021 and 2020 was 7.85%, 5.06%, 28.05% and 29.11%, respectively. For details, see "*Related Party Transactions*" on page 36.

While we believe that all such transactions have otherwise been conducted on an arm's length basis, and are in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, and contain commercially reasonable terms, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could have achieved more favorable terms if such transactions had not been entered into with related parties. Such related party transactions may potentially involve conflicts of interest. Furthermore, it is likely that we will enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

19. ***We have had negative cash flows from operating activities and financing activities, in the past and may continue to have negative cash flows in the future.***

The following table sets forth net cash generated from / (used in) operating activities and financing activities for the periods indicated:

(in ₹ crore)

Particulars	For the nine months ended December 31		For the Financial Year ended March 31		
	2022	2021	2022	2021	2020
Net cash flow / (used in) operating activities	(110.52)	5.63	114.67	(26.38)	(31.50)
Net cash flow / (used in) investing activities	(17.66)	(20.05)	(25.97)	(0.76)	(5.99)
Net cash flow from / (used in) financing activities	111.65	8.98	(78.74)	35.58	36.77

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition. For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 60 and 260, respectively. We cannot assure you that our operating cash flows or net cash flows will be positive in the future.

20. ***While we have paid dividends during the last three Financial Years and the nine months period ended December 31, 2022, our ability to pay dividends in the future will depend upon various factors and there can be no assurance that we will be able to pay dividends in the future***

Our Company has paid dividends to its shareholders during the last three Financial Years and the nine months period ended December 31, 2022. For information, see "*Dividends*" on page 59. However, our future ability to pay dividends will depend on various factors, including, earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictions under financing arrangements. Our business is capital intensive and we may plan to make additional capital expenditures to complete our expansion projects, or to develop new projects. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and in accordance with our dividend distribution policy with applicable law. We cannot assure you that we will be able to pay dividends in the future.

21. ***We may be exposed to damages caused by fraud, theft or other misconduct by our employees, customers or other third parties which could adversely affect our profitability, results of operations and cash flows.***

Many of our contract involve projects that are critical to the operations of our customer's business. Further, as our operations are linked to the Indian defence and space sector, certain documents and information are confidential because of national security related concerns. Any instances of fraud, theft or other misconduct in our Company can be difficult to detect, deter and prevent, and could subject us to financial losses and harm our reputation. We are exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud or theft by employees of our Company. Our management information systems are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. As a result, we may suffer monetary losses, which may not be covered by our insurance and may thereby adversely affect our profitability, results of operations and cash flows. Such a result may also adversely affect our reputation.

22. ***Our statutory auditors have included certain emphasis of matters in relation to our Company in our Financial Year 2021 Audited Consolidated Financial Statements, Financial Year 2020 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements.***

Our statutory auditors have included certain emphasis of matters in relation to our Company in our Financial Year 2021 Audited Consolidated Financial Statements, Financial Year 2020 Audited Consolidated Financial Statements and the Unaudited Interim Condensed *Consolidated* Financial Statements emphasis of matters, as described in "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Reservations, qualifications or adverse remarks by Statutory Auditors*" on pages 60 and 283, respectively.

23. ***We have provided corporate guarantees in relation to loans obtained by our Subsidiary and Joint Venture and any default by such Subsidiary or Joint Venture may result in invocation of the corporate guarantee.***

For certain financial arrangements entered into by our Subsidiary, Bhavyabhanu Electronics Private Limited and Joint Venture, Astra Rafael, our Company has provided corporate guarantee as security in relation to such borrowings. As of December 31, 2022, the aggregate outstanding principal amount of indebtedness where we provided guarantees of repayment of indebtedness, was ₹33.42 crore. Any default by our Subsidiary or Joint Venture in meeting their obligations under their respecting borrowings may result in the invocation of the corporate guarantee against us. We may accordingly be required to undertake the obligations of the defaulting Subsidiary or Joint Venture in relation to the relevant loan or financial facility. Such an event may adversely affect our financial condition and cash flows

External risk Factors

24. ***Any deterioration in the general economic conditions in India and globally could adversely affect our business and results of operations.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global markets could increase our borrowing costs, result in a freeze in lending generally, thereby adversely affecting our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our banking and finance industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

25. ***A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.***

A large part of our business and customers are located in India or are related to and influenced by the Indian economy. The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and e-commerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

26. ***It may not be possible for investors to enforce any judgment obtained outside India against us, our Promoter, Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

The Company is a limited liability company incorporated under the laws of India. Our Company's assets are primarily located in India and our Company's Promoter, and majority of the Directors and Key Managerial Personnel are residents of India. The enforcement of civil liabilities by overseas investors in the Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and majority of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, United Arab Emirates Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

27. *Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.*

Our financial statements included in this Preliminary Placement Document are prepared and presented in conformity with Ind AS. Ind AS differs from accounting principles with which persons from other countries may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the effect of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which our financial statements included in this Preliminary Placement Document provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting principles. Any reliance by persons not familiar with Indian accounting principles on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

28. *Industry information included in this Preliminary Placement Document has been derived from numerous sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

The statistical information, industry and market data, information regarding our position in the market, growth rates and other industry data pertaining to our business included in this Preliminary Placement Document relating to the industry in which we operate has been extracted from publicly available documents from various sources including information made available by peers publicly. While we believe that the information contained has been obtained from sources that are reliable, the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Preliminary Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

29. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. This may adversely impact our business, profitability and results of operations.

30. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

31. ***Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.***

India's sovereign rating is Baa2 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB-with a "stable" outlook (Fitch). Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business.

32. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could also adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

Risks Related to the Equity Shares and the Issue

33. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

34. ***Bidders to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid /Issue Closing Date.***

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, Bidders in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/ Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

35. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.***

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. The Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

36. ***Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018 levies taxes on such long term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, an investor may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, the Finance Act, 2020 has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**") will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Further, the Government of India has announced the union budget for the financial year 2023-24, pursuant to which the Finance Bill, 2023 ("**Finance Bill**"). Please note that the proposed amendments will come into effect only after the President gives his assent to the Finance Bill. As such, there is no certainty on the impact that the Finance Bill may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

37. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

38. ***There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.***

There may be less publicly available information about Indian public companies, including our Company, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

39. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction in which the investors are located in do not permit the investors to exercise their pre-emptive rights, without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 8,66,11,675 Equity Shares are issued, subscribed and fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE.

On April 28, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 307.70 and ₹ 308.00 per Equity Share. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Financial Years 2023, 2022 and 2021:

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in crore)
Fiscal 2023	366.20	August 29, 2022	29,04,824	104.81	184.45	June 20, 2022	3,46,125	6.51	271.02	14,55,55,826	4,248.98
Fiscal 2022	285.90	November 15, 2021	26,02,842	72.28	112.60	April 23, 2021	7,87,259	9.10	190.45	20,08,20,013	3,832.57
Fiscal 2021	152.35	March 8, 2021	15,18,892	23.49	54.95	April 1, 2020	1,79,064	0.98	107.83	18,38,04,609	2142.36

(Source: www.nseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in crore)
Fiscal 2023	366.3	August 29, 2022	2,16,693	7.81	182.65	June 20, 2022	15,846	0.30	271.00	1,25,32,877	357.16
Fiscal 2022	285.3	November 15, 2021	1,65,765	4.56	112.70	April 23, 2021	38,787	0.45	190.45	3,41,15,555	610.78
Fiscal 2021	152.10	March 8, 2021	98,144	1.51	54.75	April 1, 2020	9,137	0.05	107.81	1,52,49,595	174.08

(Source: www.bseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the turnover of Equity Shares traded in each of the last six months preceding this Preliminary Placement Document:

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	Equity Shares traded in the month	
										No.	Turnover (₹ in crore)
March, 2023	266.00	March 1, 2023	4,52,543	11.93	218.30	March 28, 2023	5,53,106	12.09	244.14	69,12,633	168.08
February, 2023	280.15	February 20, 2023	4,14,994	11.52	253.75	February 3, 2023	3,27,327	8.32	268.12	77,80,068	210.67
January, 2023	288.95	January 2, 2023	6,66,317	18.99	257.80	January 30, 2023	3,08,695	8.06	279.96	81,19,183	231.32
December, 2022	322.00	December 8, 2022	4,58,040	14.63	259.70	December 23, 2022	4,46,299	11.82	279.96	81,19,183	231.32
November, 2022	328.03	November 21, 2022	5,99,626	19.59	307.05	November 1, 2022	2,29,889	7.08	293.74	1,35,20,802	400.42
October, 2022	320.85	October 10, 2022	5,05,533	16.27	301.05	October 3, 2022	6,80,628	20.78	317.20	1,08,00,577	348.10

(Source: www.nseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	Equity Shares traded in the month	
										No.	Turnover (₹ in crore)
March, 2023	266.00	March 1, 2023	21,593	0.57	217.20	March 28, 2023	81,001	1.77	244.00	4,93,625	11.70
February, 2023	280.45	February 9, 2023	16,909	0.47	253.00	February 3, 2023	33,782	0.86	268.08	6,51,916	17.69
January, 2023	288.70	January 2, 2023	79,127	2.26	257.90	January 30, 2023	20,152	0.53	279.88	5,63,205	15.96
December, 2022	288.70	December 8, 2022	21,106	0.68	259.60	December 23, 2022	57,109	1.51	293.74	20,47920	57.24
November, 2022	322.30	November 21, 2022	48,519	1.58	307.05	November 1, 2022	16,078	0.49	317.03	8,73,606	28.17
October, 2022	329.60	October 10, 2022	59,750	1.92	301.20	October 3, 2022	55,789	1.70	308.34	7,72,508	23.92

(Source: www.bseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

C. The following table sets forth the market price on the Stock Exchanges on December 12, 2022, the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in crore)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in crore)
316.05	318.05	310.00	312.25	24,241	0.76	319.40	319.40	310.10	311.90	2,99,919	9.39

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The total gross proceeds from the Issue shall be approximately ₹[●] crore.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are approximately ₹[●] crore (the "**Net Proceeds**").

Object of the Issue

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(₹ in crore)

Sr. No.	Purpose	Amount of Net Proceeds	Timeline for utilization of Net Proceeds (in months)	Mode of keeping the Net Proceeds (till the time such Net Proceeds will be utilized for its intended purpose)
1.	Repayment of working capital loans	170.00	1	Fixed Deposit
2.	General corporate purpose*	[●]	12	Fixed Deposit
	Total**	[●]		

**The amount utilised towards general corporate purposes shall not exceed 25% of the Net Proceeds*
*** to be determined upon finalisation of Issue price*

Details of the Objects

1. Repayment of Working Capital Loans

We propose to utilise an estimated amount of ₹170.00 crore from the Net Proceeds towards full or partial repayment/ prepayment, of certain working capital loans availed by our Company. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt - equity ratio and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt - equity ratio will improve significantly, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Set forth are the loans availed by the Company which may be repaid/prepaid, all or in part, to the extent of ₹170.00 crore from the Net Proceeds. Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time, however the aggregate amount to be utilised from the Net Proceeds towards repayment/prepayment of the borrowings in full or part shall not exceed ₹170.00 crore.

Sr. No.	Name of the Lender	Tenure of the Loan	Nature of loan	Date of agreement	Sanctioned amount (in ₹ Crore)	Total outstanding amount as on December 31, 2022 (in ₹ Crore)*	Repayment schedule	Purpose for which the loan was sanctioned
1.	State Bank of India	One year	Working capital loan	March 9, 2022	50.00	43.71	Repayable on demand	To meet our working capital requirement
2.	Canara Bank	One year	Working capital loan	March 31, 2022	40.00	5.85	Repayable on demand	To meet our working capital requirement
3.	Axis Bank Limited	One year	Working capital loan	February 23, 2022	40.00	39.60	Repayable on demand	To meet our working capital requirement
4.	HDFC Bank Limited	One year	Working capital loan	April 20, 2022	100.00	91.81	Repayable on demand	To meet our working capital requirement

2. General Corporate Purpose

Our Company proposes to utilise the balance Net Proceeds aggregating to ₹[●] crores towards general corporate purposes, including inorganic growth, expanding product portfolio and business verticals through wholly owned subsidiaries, joint ventures and strategic alliances. The actual deployment of funds will depend on a number of factors, including the general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries, or whether these will be in the nature of asset or technology acquisitions or joint ventures.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue until the Allotment and filing of the return of Allotment by our Company with the RoC, or the receipt of final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the purposes given above, our Company may explore a range of options including utilizing our internal accruals.

Other confirmations

Neither our Promoter nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue. Further, neither our Promoters nor our Directors or the Senior Management shall receive any proceeds from the Issue, directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoter, Directors or senior management are not eligible to subscribe in the Issue.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirement under the SEBI Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at December 31, 2022 derived from the Unaudited Interim Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 260 and 60, respectively:

(in ₹ crore)

Particulars	As of December 31, 2022	As adjusted for the Offer (1)
Non-Current Borrowings	-	[●]
Current Borrowings	208.18	[●]
Total Borrowings (A)	**208.18**	[●]
Equity Share Capital	17.32	[●]
Other Equity	613.64	[●]
Non-controlling interest	0.00**	[●]
Total Equity (B)	**630.96**	[●]
Total Capitalisation (A+B)	**839.14**	[●]

* *To be updated upon finalisation of the Issue Price.*
***Less than 0.01*

CAPITAL STRUCTURE

(in ₹ crore)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	15,00,00,000 Equity Shares of ₹2 each	30.00
	Total	**30.00**
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	8,66,11,675 Equity Shares of ₹2 each	17.32
	Total	**17.32**
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares of ₹2 each aggregating up to ₹[●] crore(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of ₹2 each (2)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue(3)	68.56
	After the Issue(2)(4)	[●]

(1) The Issue has been authorised by our Board pursuant to a resolution dated December 9, 2022 and by our Shareholders on February 14, 2023 by way of a postal ballot, the results of which were declared on February 15, 2023.

(2) To be determined upon finalisation of the Issue Price.

(3) As on the date of this Preliminary Placement Document.

(4) The securities premium account after the Issue is calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue related expenses.

a) Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares
September 13, 1991	200	10	10	Cash	Initial subscription to the Memorandum of Association	200
September 23, 1991	4,100	10	10	Cash	Preferential allotment	4,300
March 31, 1993	6,10,350	10	10	Cash	Preferential allotment	6,14,650
May 28, 1993	3,07,325	10	10	Other than Cash	Bonus Issue	9,21,975
May 28, 1993	2,00,000	10	10	Cash	Issue of shares on account of conversion of secured loan (income loan from Canbank Financial Services Limited)	11,21,975
July 17, 1993	30,500	10	10	Cash	Conversion of secured loan taken from Canbank Financial Services Limited	11,52,475
August 10, 1994	47,375	10	10	Cash	Preferential allotment	11,99,850
January 11, 1995	4,58,300	10	60	Cash	Initial Public Offering	16,58,150
March 30, 1995	150	10	10	Other than Cash	Scheme of amalgamation	16,58,300
July 31, 2000	1,41,700	10	10	Cash	Allotment of Equity Shares to AMPL – ESOP Trust	18,00,000
September 1, 2000	18,00,000	10	10	Other than Cash	Bonus Issue	36,00,000
January 7, 2002	7,29,168	10	46.85	Cash	Preferential allotment	43,29,168
January 31, 2002	7,29,167	10	46.85	Cash	Preferential allotment	50,58,335
April 25, 2003	2,52,910	10	16.70	Cash	Preferential allotment	53,11,245
August 31, 2005	2,65,56,225	2	2	-	Split of equity shares	2,65,56,225
October 15, 2005	2,65,56,225	2	2	Other than Cash	Bonus Issue	5,31,12,450
April 5, 2006	1,67,150	2	72.20	Cash	Allotment of Equity Shares pursuant to exercise of stock options under 2005 ESOP Plan	5,32,79,600
April 5, 2006	1,67,150	2	-	Other than Cash	Bonus Issue	5,34,46,750

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares
April 5, 2007	1,54,550	2	72.20	Cash	Allotment of Equity Shares pursuant to exercise of stock options under 2005 ESOP Plan	5,36,01,300
April 5, 2007	1,54,550	2	-	Other than Cash	Bonus Issue	5,37,55,850
April 2, 2008	1,45,050	2	72.20	Cash	Allotment of Equity Shares pursuant to exercise of stock options under 2005 ESOP Plan	5,39,00,900
April 2, 2008	1,45,050	2	-	Other than Cash	Bonus Issue	5,40,45,950
April 3, 2009	48,700	2	72.20	Cash	Allotment of Equity Shares pursuant to exercise of stock options under 2005 ESOP Plan	5,40,94,650
April 3, 2009	48,700	2	-	Other than Cash	Bonus Issue	5,41,43,350
April 5, 2010	2,03,400	2	72.20	Cash	Allotment of Equity Shares pursuant to exercise of stock options under 2005 ESOP Plan	54,346,750
April 5, 2010	2,03,400	2	-	Other than Cash	Bonus Issue	54,550,150
December 31, 2010	2,72,75,075	2	2	Other than Cash	Bonus Issue	81,825,225
December 16, 2015	47,86,450	2	135.80	Cash	Qualified Institutions Placement	8,66,11,675

No change in control in our Company will occur consequent to the Issue.

Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of filing of this Preliminary Placement Document.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees and the percentage of the post Issue Equity Share capital that may be held by them, please, see "*Proposed Allottees*" on page 377.

Pre Issue and post Issue shareholding pattern

The pre Issue and post Issue shareholding pattern of our Company is set forth below.

S. No.	Category	Pre-Issue^		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
1.	**Promoter's holding****				
1.	Indian				
	Individual	62,05,827	7.17	[●]	[●]
	Bodies corporate	Nil	Nil	[●]	[●]
	Sub-total	**62,05,827**	**7.17**	[●]	[●]
2.	Foreign	Nil	Nil	[●]	[●]
	Sub-total (A)	**62,05,827**	**7.17**	[●]	[●]
2.	**Non – Promoter's holding**				
1.	Institutional Investors	19,38,189	2.24	[●]	[●]
2.	Non-Institutional Investors			[●]	[●]
	Private corporate bodies	3,05,85,979	35.31	[●]	[●]
	Directors and relatives	35,29,468	4.08	[●]	[●]
	Indian public	3,35,85,035	38.78	[●]	[●]
	Others including Non-resident Indians (NRIs)	1,07,67,177	12.42	[●]	[●]
	Sub-total (B)	**8,04,05,848**	**92.83**	[●]	[●]
	Grand Total (A+B)	**8,66,11,675**	**100.00**	[●]	[●]

^ *Based on beneficiary position data of our Company as on April 26, 2023.*

* *The details of the post-Issue shareholding pattern will be filled in prior to filing of the Placement Document with the Stock Exchanges.*

** *This includes shareholding of the members of the Promoter Group.*

Other confirmations

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated December 9, 2022 to the Shareholders for approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the completion of this Issue.

The Promoter and members of the Promoter Group of our Company do not intend to participate in the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, 2013 and the Articles of Association. The Board has approved and adopted a formal dividend distribution policy in accordance with Regulation 43A of the SEBI Listing Regulations on June 30, 2021. For further information, see "*Description of the Equity Shares*" on page 365.

The details of dividend paid by our Company on the Equity Shares during the nine month period ended December 31, 2022 and during Fiscals 2022, 2021 and 2020 are set out in the following tab:

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022	Nine month period ended December 31, 2022
Number of Equity Shares	8,66,11,675	8,66,11,675	8,66,11,675	8,66,11,675
Dividend per Equity Shares (in ₹)	1.20	1.20	1.40	Nil
Face value of Equity Shares (in ₹)	2.00	2.00	2.00	2.00
% of dividend	60%	60%	70%	Nil
Amount of dividend (in ₹ crore)	10.39	10.39	12.12	Nil
Dividend distribution tax (in ₹ crore)	Nil	0.44	Nil	NA

Further, our Company has not declared any dividend from January 1, 2023 till the date of this Preliminary Placement Document.

The amounts paid as dividends in the past are not necessarily indicative of the dividends which may be declared by our Company, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, operating cash flow of our Company, profit earned during the year, profit available for distribution, accumulated profits, free reserves, working capital requirement, capital expenditure requirement, business expansion and growth, additional investment in subsidiaries and associates of our Company, economic environment, changes in governmental policies, regulatory changes and capital markets.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Also see "*Taxation*" and "*Risk Factors*" on pages 368 and 37, respectively.

Prospective Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares issued in the Issue.

FINANCIAL INFORMATION

The Board of Directors
Astra Microwave Products Limited,
Astra Towers, Survey No. 12(P), Kothaguda Post,
Kondapur, Hitech City,
Hyderabad, Telangana – 500084.

1. This report is issued in accordance with the terms of our agreement dated April 03, 2023.

2. We have reviewed the accompanying special purpose unaudited condensed consolidated interim financial statements of Astra Microwave Products Limited (the "Company"), its subsidiaries (the Company and its subsidiaries together hereinafter referred to as the "Group") and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its joint venture and its associate company (refer note 2B to the special purpose unaudited condensed consolidated interim financial statements) comprising its Condensed Consolidated Balance Sheet as at December 31, 2022, and the Condensed Consolidated Statement of Profit & Loss, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of cash flows and a summary of significant accounting policies and other explanatory information for the nine months ended December 31, 2022 and nine months ended December 31, 2021 (herein after referred to as the "unaudited condensed consolidated interim financial statements") prepared by the Management of the Group with their obligation to include the unaudited condensed consolidated interim financial statements in the Preliminary Placement Document ('PPD') and Placement Document ('PD') (hereinafter collectively referred to as the "Offer Documents"), to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), as applicable, in connection with proposed Qualified Institutions Placement of the equity shares of the Company ("Offering"). We have signed the attached unaudited condensed consolidated interim financial statements for identification purposes only.

Management's Responsibilities for the unaudited condensed consolidated interim financial statements

3. The preparation of the unaudited condensed consolidated interim financial statements in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India, is the responsibility of the Management of the Group, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the unaudited condensed consolidated interim financial statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibilities

4. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity - issued by the Institute of Chartered Accountants of India.

5. A review is limited primarily to inquiries of Group personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

6. We did not review the financial statements of (i) one subsidiary considered in the preparation of the unaudited condensed consolidated interim financial statements and which constitute total assets of Rs. 831.72 lakhs and net assets of Rs. 689.48 lakhs as at December 31, 2022, total revenue of Rs. 268.41 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 110.28 lakhs and net cash inflows amounting to Rs. 146.50 lakhs for the period then ended; and (ii) one joint venture included in these unaudited condensed consolidated interim financial statements which constitute Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 158.69 lakhs for the period from April 01, 2022 to December 31, 2022. These financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the unaudited condensed consolidated interim financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our conclusion is not modified in respect of this matter.

7. We did not review the financial statements of (i) one subsidiary considered in the preparation of the unaudited condensed consolidated interim financial statements and which constitute total assets of Rs. 0.33 lakhs and net assets of Rs. 0.33 lakhs as at December 31, 2022, total revenue of Rs. “Nil”, total comprehensive income (comprising of profit and other comprehensive income) of Rs. “Nil” and net cash flows amounting to Rs. “Nil” for the period then ended; and (ii) one associate company included in these unaudited condensed consolidated interim financial statements which constitute Group’s share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 0.16 lakhs for the period from April 01, 2022 to December 31, 2022. The unaudited financial information has been provided to us by the management, and our conclusion on the unaudited condensed consolidated interim financial statements to the extent they relate to these subsidiary and associate company is based solely on such unaudited financial information furnished to us. According to the information and explanations given to us by the management, this unaudited financial information is not material to the group. Our conclusion is not modified in respect of this matter.

Conclusion

8. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed consolidated interim financial statements of the Group has not been prepared, in all material respects in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, “Interim Financial Reporting” and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (‘ICAI’) and other accounting principles generally accepted in India.

Emphasis of Matter – Basis of Preparation

9. We draw attention to Note 2 to the unaudited condensed consolidated interim financial statements, which describes the basis of its preparation, and accordingly, the unaudited condensed consolidated interim financial statements has been prepared by the Group’s Management in all material respects in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, “Interim Financial Reporting” and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (‘ICAI’) and other accounting principles generally accepted in India. These special purpose financial statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared. Our conclusion is not modified in respect of this matter.

Other Matters

10. We draw attention to the following matter:

    The unaudited condensed consolidated interim financial statements dealt with by this report, have been prepared for the express purpose of inclusion of the unaudited condensed consolidated interim financial statements as at December 31, 2022 in the Offer documents, to be filed by the Company with the SEBI, BSE and NSE, as applicable, in connection with proposed Qualified Institutions Placement of the equity shares of the Company. Our conclusion is not modified in respect of this matter.

Restriction on use

11. Our obligations in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

12. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes of including it in the Offer Documents, to be filed by the Company with the SEBI, BSE and NSE, as applicable, in connection with proposed Qualified Institutional Placement of the equity shares of the Company. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Srikanth Pola
Partner
Membership Number: 220916
UDIN: 23220916BGXUWL6717

Place: Hyderabad
Date: April 28, 2023

Astra Microwave Products Limited
Condensed Consolidated Balance Sheet as at December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Particulars	Notes	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		15,310.61	15,863.39
Intangible assets		84.33	100.75
Capital work-in-progress		-	8.23
Investment in Joint Venture		1,029.01	1,179.58
Investment in Associate		205.03	205.18
Financial assets			
Other financial assets		1,305.34	923.74
Deferred tax assets (net)		759.97	692.44
Non current tax assets		9.64	298.92
Other non-current assets		562.86	285.89
Total non-current assets		**19,266.79**	**19,558.12**
Current assets			
Inventories		43,590.32	41,933.79
Financial assets			
i. Trade receivables		32,058.48	20,508.07
ii. Cash and cash equivalents		1,095.99	2,747.96
iii. Other bank balances		5,562.14	5,000.51
iv. Other financials assets		193.80	453.07
Current tax assets (net)		537.59	112.37
Other current assets		5,900.52	6,538.65
Total current assets		**88,938.84**	**77,294.42**
Total assets		**108,205.63**	**96,852.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital		1,732.23	1,732.23
Other equity		61,364.38	56,826.57
Equity Attributable to owners of the Company		**63,096.61**	**58,558.80**
Non Controlling Interest		0.16	0.16
Total equity		**63,096.77**	**58,558.96**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	4	-	335.41
Provisions		368.41	429.08
Contract liabilities		3,941.84	3,963.46
Total non-current liabilities		**4,310.25**	**4,727.95**
Current liabilities			
Financial liabilities			
i. Borrowings	4	20,818.40	6,704.90
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises		751.36	945.21
(b) total outstanding dues other than micro and small enterprises		5,813.62	4,593.25
iii. Other financial liabilities		1,586.11	1,552.24
Provisions		293.63	354.99
Current tax liabilities (net)		658.50	5.29
Other current liabilities		162.98	223.36
Contract liabilities		10,714.01	19,186.39
Total current liabilities		**40,798.61**	**33,565.63**
Total liabilities		**45,108.86**	**38,293.58**
Total equity and liabilities		**108,205.63**	**96,852.54**
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements
This is the condensed balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

BENARJI MALLAMPATI
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Astra Microwave Products Limited
Condensed Consolidated Statement of profit and loss for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Particulars	Notes	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Income :			
Revenue from operations	5	55,707.20	51,102.43
Other income		451.11	453.89
Total Income		**56,158.31**	**51,556.32**
Expenses :			
Cost of materials consumed		35,962.88	43,542.74
Changes in inventories of work-in-progress, stock-in-trade and finished goods		(2,061.89)	(7,997.07)
Employees benefit expense		6,778.56	5,537.31
Finance costs		2,089.69	1,651.21
Depreciation and amortisation expenses		1,738.01	1,584.61
Other expenses		3,692.79	3,663.48
Total Expenses		**48,200.04**	**47,982.28**
Profit before tax and share of net loss of investment in Joint Venture and associate accounted for using equity method		**7,958.27**	**3,574.04**
Share of loss from Joint Venture and Associate accounted for using the equity method		(158.85)	(110.61)
Profit before tax		**7,799.42**	**3,463.43**
Tax expense			
- Current tax	6	2,209.21	1,170.11
- Tax of earlier years		47.80	-
- Deferred tax credit		(88.25)	(403.70)
Net profit for the period		**5,630.66**	**2,697.02**
Other comprehensive income :			
a) Items that will not be reclassified to profit or loss:			
i) Remeasurements of post-employment benefit obligations		82.31	120.48
ii) Income tax relating to this item		(20.71)	(30.32)
b) Items that will be reclassified to profit or loss:			
i) Exchange differences on translation of foreign operations		58.11	3.93
Total other comprehensive income for the period, net of tax		**119.71**	**94.09**
Total comprehensive income for the period		**5,750.37**	**2,791.11**
Profit for the period attributable to			
Owners of the Company		5,630.66	2,697.02
Non-controlling interest		-	-
Other Comprehensive Income attributable to			
Owners of the Company		119.71	94.09
Non-controlling interest		-	-
Total Comprehensive Income attributable to			
Owners of the Company		5,750.37	2,791.11
Non-controlling interest		-	-
Earnings per equity share (in Rs.)			
a) Basic	7	6.50	3.11
b) Diluted		6.50	3.11
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements
This is the condensed statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date:

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
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DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

BENARJI MALLAMPATI
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Astra Microwave Products Limited
Condensed Consolidated Statement of Changes in Equity for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

A. Equity Share Capital

As at December 31, 2022

Balance at April 01, 2022	Changes in equity share capital during the period	Balance at December 31, 2022
1,732.23	-	1,732.23

As at December 31, 2021

Balance at April 01, 2021	Changes in equity share capital during the period	Balance at December 31, 2021
1,732.23	-	1,732.23

B. Other Equity
As at December 31, 2022

Particulars	Reserves and Surplus					Non-controlling interests	Total
	Securities Premium	Retained Earnings	General Reserve	Foreign currency translation reserve	Total Other equity		
Balance at April 01, 2022	**6,856.20**	**42,468.04**	**7,482.80**	**19.53**	**56,826.57**	**0.16**	**56,826.73**
Net profit for the period	-	5,630.66	-	-	5,630.66	-	5,630.66
Other comprehensive income	-	61.60	-	58.11	119.71	-	119.71
Dividends	-	(1,212.56)	-	-	(1,212.56)	-	(1,212.56)
Balance at December 31, 2022	**6,856.20**	**46,947.74**	**7,482.80**	**77.64**	**61,364.38**	**0.16**	**61,364.54**

As at December 31, 2021

Particulars	Reserves and Surplus					Non-controlling interests	Total
	Securities Premium	Retained Earnings	General Reserve	Foreign currency translation reserve	Total Other equity		
Balance at April 01, 2021	**6,856.20**	**39,792.42**	**7,482.80**	**6.85**	**54,138.27**	**0.16**	**54,138.43**
Net profit for the period	-	2,697.02	-	-	2,697.02	-	2,697.02
Other comprehensive income	-	90.16	-	3.93	94.09	-	94.09
Dividends	-	(1,039.34)	-	-	(1,039.34)	-	(1,039.34)
Balance at December 31, 2021	**6,856.20**	**41,540.26**	**7,482.80**	**10.78**	**55,890.04**	**0.16**	**55,890.20**

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.
This is the Condensed statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

BENARJI MALLAMPATI
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Astra Microwave Products Limited
Condensed Consolidated Statement of cash flows for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Cash flows from operating activities		
Profit before tax	**7,799.42**	**3,463.43**
Adjustments for:		
Depreciation and amortisation expense	1,738.01	1,584.61
Finance costs	2,089.69	1,651.21
Interest income	(221.63)	(159.07)
Commission on Corporate guarantee	(8.13)	-
Share of loss from Joint venture and associate	158.85	110.61
(Gain)/loss on sale of investments (net)	-	(48.24)
(Gain)/loss on disposal of property, plant and equipment	(1.19)	(1.49)
Unrealised exchange loss/(gain)	74.62	(16.50)
Changes in expected credit loss	(41.13)	141.25
Operating Profit Before Working Capital Changes	**11,588.51**	**6,725.81**
Movements in working capital:		
(Increase)/Decrease in inventories	(1,656.53)	(10,776.35)
(Increase)/Decrease in trade receivables	(11,429.28)	4,747.43
(Increase)/Decrease in other financial assets	(52.65)	41.19
(Increase)/Decrease in other non-current assets	(166.25)	10.55
(Increase)/Decrease in other current assets	638.13	950.61
Increase/(Decrease) in trade payables	930.08	481.59
Increase/(Decrease) in provisions	(39.72)	21.12
Increase/(Decrease) in other financial liabilities	72.97	(275.82)
Increase/(Decrease) in contract liabilities	(9,137.00)	502.37
Increase/(Decrease) in other current liabilities	(60.38)	(293.26)
Cash generated from/(used in) operating activities	**(9,312.12)**	**2,135.24**
Income tax paid	(1,739.74)	(1,572.42)
Net cash generated from/(used in) operating activities	**(11,051.86)**	**562.82**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,359.01)	(2,503.89)
Proceeds from sale of property, plant and equipment	3.04	1.97
Proceeds from sale of current investments	-	1,457.84
Proceeds from maturity of/(Investment in) Margin money deposits against bank guarantees and movement in unpaid dividend account	(587.76)	(1,117.19)
Interest received	178.06	156.42
Net cash used in investing activities	**(1,765.67)**	**(2,004.85)**
Cash flows from financing activities		
Proceeds from long term borrowings	-	1,414.14
Repayment of long term borrowings	(196.57)	-
Proceeds from short term borrowings	13,974.66	1,722.67
Finance cost paid	(1,392.98)	(1,195.37)
Dividend paid	(1,219.55)	(1,043.06)
Net cash generated from financing activities	**11,165.56**	**898.38**
Net Decrease in Cash and cash equivalents	(1,651.97)	(543.65)
Cash and cash equivalents at the beginning of the period	2,747.96	1,751.63
Cash and cash equivalents at the end of the period	**1,095.99**	**1,207.98**

Reconciliation of Cash and cash equivalents as per the Statement of cash flows

Particulars	As at December 31, 2022	As at December 31, 2021
Cash and Cash Equivalents		
In current accounts	1,093.80	1,204.08
Cash in hand	2.19	3.90
Total	**1,095.99**	**1,207.98**

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements
This is the Condensed statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

BENARJI MALLAMPATI
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

1. Group Overview:

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The group is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defense, space, meteorology and telecommunication; manufacture, supply, installations and service of electronic machinery, components, spares and other electronic parts; defense communication and specific Electronic Warfare; designing, developing, manufacturing and dealing in space crafts, launching vehicles, robots for the sectors of aviation and aerospace, deep space, defense and internal security.

2. Basis of Preparation:

A. Purpose:

These unaudited condensed consolidated interim financial statements which comprise the condensed consolidated balance sheet as at December 31, 2022, the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the nine months ended December 31, 2022 and a summary of the significant accounting policies and other explanatory information (together herein after referred to as "unaudited condensed consolidated interim financial statements") have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India. These unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2022 have been prepared by the Group to include in the Preliminary Placement Document ('PDD') and Placement Document ('PD') (hereinafter collectively referred to as the "Offer documents"), to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and the Registrar of Companies (the "ROC") in Hyderabad, as applicable, in connection with proposed Qualified Institutional Placement of the equity shares of the Company ("Offering").

Also, refer note no. 14.

B. Statement of Compliance:

These unaudited condensed consolidated interim financial statements comprise of unaudited condensed interim financial statements of the Company and its subsidiaries (together referred to as "the Group'') and its joint ventures and associate for the nine months ended December 31, 2022. These unaudited condensed consolidated interim financial statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the unaudited condensed consolidated interim financial statements for the purposes for which these have been prepared.

3. Summary of significant accounting policies:

The significant accounting policies adopted are consistent with those of the previous financial year ended March 31, 2022 and the corresponding interim reporting period.

(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 4: Borrowings

Particulars	As at December 31, 2022	As at March 31, 2022
Non Current		
Secured		
From banks		
Term Loans (Refer note a(i) below)		
Axis bank	-	335.41
Total	**-**	**335.41**
Current		
Secured		
From banks		
Working Capital loans (Refer note a(ii) below)		
HDFC Bank	9,000.00	3,314.90
Axis bank	2,400.00	-
State Bank of India	3,750.00	1,200.00
Cash Credit facility (Refer note a(ii) & b below)		
HDFC Bank	1,637.71	1,055.95
Canara Bank	585.81	9.05
Axis Bank	1,559.73	-
State Bank of India	621.31	-
Current maturities of long term debt	1,263.84	1,125.00
Total	**20,818.40**	**6,704.90**

Refer below for the assets pledged as security

Nature of security:
(a) Astra Microwave Products Limited

Note (i): Term loan
Nature of security:
Term loan from Axis Bank is secured by first exclusive charge on the equipment/machinery funded by this term loan and personal guarantee of following promoters: Mr. P.A. Chitrakar and Mr. B. Malla Reddy.
Terms of repayment:
Term loan from Axis bank is repayable in 8 quarterly instalments of sanctioned loan amount, starting after 12 months from the date of first disbursement (date of first drawdown was October 10, 2021) along with an interest as mutually agreed with the bank payable on a monthly basis.
Rate of Interest: Interest rates are normally reset on an yearly basis. Present rate of interest is 8.45%

Note (ii): Working capital loan and cash credit facility
Nature of security:
Prime Security:
Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company.
Collateral Security:
Pari Passu first charge on entire unencumbered fixed assets of the company.
Pari Passu second charge on the fixed assets of the company funded by other term lenders.
Personal Guarantee:
Personal Guarantee of the promoters: Mr. P.A. Chitrakar.

Terms of repayment:
a) Working capital loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.
b) Cash credits from banks are repayable on demand.
c) Interest rates are normally reset on an yearly basis. Present rate of interest ranges between 7.92% - 9.90%.

(b) Bhavyabhanu Electronics Private Limited
Nature of security:
(i) Cash credit from HDFC Bank is secured by charge on Book debts, movable fixed assets, plant and machinery and fixed deposits of the company.
(ii) Corporate Guarantee of Astra Microwave Products Limited.

Terms of repayment:
i) Cash Credit facilities are repayable on demand.
ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 9.55%.

Astra Microwave Products Limited
Notes forming part of condensed consolidated financial statements for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)
Assets pledged as security

Carrying amounts of assets of Astra Microwave Products Limited and Bhavyabhanu Electronics Private Limited pledged as security for current and non-current borrowings are:

Particulars	As at December 31, 2022	As at March 31, 2022
Current		
Financial assets		
Trade receivables	32,058.45	20,537.09
Other bank balances	5,504.93	4,914.20
Other financial assets	193.80	453.07
Non-financial assets		
Inventories	43,511.02	41,898.86
Total current assets pledged as security (A)	**81,268.19**	**67,803.22**
Non-current		
Property, plant and equipment	15,310.61	15,863.39
Intangible assets	84.33	100.75
Capital work-in-progress	-	8.23
Other financial assets	1,210.35	896.40
Total non-current assets pledged as security (B)	**16,605.29**	**16,868.77**
Total assets pledged as security ((A) + (B))	**97,873.48**	**84,671.99**

(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 5: Revenue from Operations:

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Revenue from contracts with customers (refer note (b) below)		
- Sale of Products	52,809.20	49,573.18
- Sale of Services	2,764.58	1,373.07
	55,573.78	**50,946.25**
Other Operating Revenue		
- Wind Electrical Power	133.42	156.18
	133.42	**156.18**
Total Revenue	**55,707.20**	**51,102.43**

a) The following table show unsatisfied performance obligations resulting from fixed price long term Sale of products and services:

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Aggregate amount of the transaction price allocated to long term Sale of products and services	192,079.10	231,465.02

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the group will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 84 months.

b) Reconciliation of revenue recognised with contract price:

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Contract Price	54,824.68	50,831.08
Adjustment for:		
Financing component	749.10	115.17
Revenue from contract with customers	**55,573.78**	**50,946.25**

c) Critical Judgements in recognising revenue
The group has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the group adjusted the transaction price to reflect the finance component from such customer advances.

Astra Microwave Products Limited
Notes forming part of condensed consolidated financial statements for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 6 : Reconciliation of effective tax rate:

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Profit before tax	**7,799.42**	**3,463.43**
Tax rate	25.17%	25.17%
Tax expense	**1,962.96**	**871.68**
Tax effects on amounts which are not deductible/(taxable) in calculation of taxable income		
i) Effect of expenses that are not deductible in determining taxable profit	16.42	30.08
ii) Tax of earlier years	47.80	-
iii) Effect of share of loss from Joint venture on which no deferred tax asset is created	39.98	27.84
iv) Indexation on land	(38.09)	(43.47)
v) Effect of Deferred tax asset not created on set off or carried forward losses from Subsidiaries	166.05	17.48
vi) Effect of different tax rates of subsidiaries	(13.08)	(91.48)
vii) Others	(13.28)	(45.72)
Tax expense recognised in statement of profit and loss	**2,168.76**	**766.41**

Astra Microwave Products Limited
Notes forming part of condensed consolidated financial statements for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 7. Earnings per share

Particulars	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Profit after tax attributable to owners of the Company	5,630.66	2,697.02
Basic:		
Weighted average number of equity shares	86,611,675	86,611,675
Earnings per share (INR)	6.50	3.11
Diluted:		
Earnings per share (INR)	6.50	3.11

Note: EPS is calculated based on profits excluding the other comprehensive income
Basic and diluted earnings per share are equal as there are no potential dilutive equity shares

Note 8. Related party disclosures
A. List of Related Parties:

Name of the Related Party	Nature of Relationship
Astra Rafael Comsys Private Limited	Joint Venture Company
Janyu Technologies Private Limited	Associate
Mr. S. Krishna Reddy	Relative of a director
Key Managerial Persons (KMP):	
Mr. S. Gurunatha Reddy	Managing Director
Mr. M. Venkateshwar Reddy	Joint Managing Director
Mr. T. Anjaneyulu	Company Secretary
Mr. BVS Narasingaa Rao	Chief Financial Officer (Upto April 2022)
Mr. Benarji Mallampati	Chief Financial Officer (w.e.f. April 2022)

B. Details of outstanding balances as at December 31, 2022:

Name of the related parties	Nature of transactions	As at December 31, 2022	As at March 31, 2022
Janyu Technologies Private Limited	Investment in Series E - Compulsorily convertible preference shares	200.00	200.00
	Investment in Share Warrants	0.10	0.10
	Advance paid	21.00	21.00
	Outstanding amount receivable against sale of goods	-	4.43
Astra Rafael Comsys Private Limited	Amount receivable against sales of goods	2,351.48	108.80
	Value of Corporate guarantee	750.00	750.00
	Advance received	714.25	1,308.15
	Investment in equity shares	2,000.00	2,000.00

C. Details of transactions during the nine months period ended December 31, 2022:

Name of the related parties	Nature of balance	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Astra Rafael Comsys Pvt.Ltd	Guarantee commission on Corporate guarantee	8.13	-
	Sales of goods	4,422.07	1,113.34
Mr. S. Gurunatha Reddy	Director's remuneration	77.00	66.16
Mr. M. Venkateshwar Reddy	Director's remuneration	77.58	65.52
Mr. S. Krishna Reddy	Remuneration to relative of a director	1.52	13.29
Mr. T. Anjaneyulu	Company secretary's remuneration	13.50	12.49
Mr. BVS Narasingaa Rao	CFO's remuneration	7.82	14.56
Mr. Benarji Mallampati	CFO's remuneration	13.36	-

Astra Microwave Products Limited
Notes forming part of condensed consolidated financial statements for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 9: Segment information

The group operates in a single product segment. Additional disclosures required as per Ind AS 108, "Operating Segments" are included below:

a. Geographical Segment revenue by location of customers
The following is an analysis of the group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
In India	51,286.57	41,289.72
Outside India*	4,420.63	9,812.71
Total	**55,707.20**	**51,102.43**

*Segment revenue from outside India does not include deemed exports to Export Oriented Units

b. Geographical Segment assets

Particulars	As at December 31, 2022	As at March 31, 2022
Segment assets		
India	17,474.46	17,680.39
Outside India	3.35	5.71
Total	**17,477.81**	**17,686.10**

c.(i) Major Customers contributing more than 10 percent of revenue for the period ended December 31, 2022

Customer Name	For the nine months ended December 31, 2022 (Unaudited)
DCX Cable Assemblies Private Limited	9,154.98
Integrated Test Range	5,571.39

c.(ii) Major Customers contributing more than 10 percent of revenue for the period ended December 31, 2021

Customer Name	For the nine months ended December 31, 2021 (Unaudited)
Elta Systems Limited	17,816.46

Note 10: Commitments and contingent liabilities

Particulars	As at December 31, 2022	As at March 31, 2022
A. Contingent Liabilities in respect of:		
a) Corporate guarantee on behalf of Astra Rafael Comsys Private Limited, Joint Venture company	750.00	750.00
b) Disputed excise duty matters *	248.19	248.19
c) Income tax penalty**	91.66	91.66
d) Goods and Service Tax (GST) penalty***	25.92	-
Total Contingent liabilities	**1,115.77**	**1,089.85**
B. Estimated amount of capital contracts remaining to be executed and not provided for	1,747.96	122.80
Total Capital commitments	**1,747.96**	**122.80**

* The Company has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

**The Company has received a penalty order for Assessment Year 2018-19 for which the Company has preferred an appeal against the order and is pending before Commissioner of Income-Tax (Appeals).

*** The Company has received a penalty order on account of interstate transportation of goods without proper e-waybill.

Astra Microwave Products Limited
Notes forming part of condensed consolidated financial statements for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 11. Financial Instruments

Fair value
The management assessed the fair value of trade receivables, cash and cash equivalents, other bank balances, other financial assets, 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. The group has determined fair value of Non current financial assets using discounted cash flow of future projected cash flow.

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

Financial instruments by category
The carrying value and fair value of financial instruments by categories as at December 31, 2022 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial instruments measured at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-current						
(a) Other financial assets	3	1,305.34	-	-	1,305.34	1,305.34
(b) Investment in Associate	3	-	-	205.03	205.03	205.03
Current						
Financial assets						
(a) Trade receivables	3	32,058.48	-	-	32,058.48	32,058.48
(b) Cash and cash equivalents	3	1,095.99	-	-	1,095.99	1,095.99
(c) Other bank balances	3	5,562.14	-	-	5,562.14	5,562.14
(d) Other financial assets	3	193.80	-	-	193.80	193.80
Total		**40,215.75**	**-**	**205.03**	**40,420.78**	**40,420.78**
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	3	20,818.40	-	-	20,818.40	20,818.40
(b) Trade payables	3	6,564.98	-	-	6,564.98	6,564.98
(c) Other financial liabilities	3	1,586.11	-	-	1,586.11	1,586.11
Total		**28,969.49**	**-**	**-**	**28,969.49**	**28,969.49**

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial instruments measured at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-current						
(a) Other financial assets	3	923.74	-	-	923.74	923.74
(b) Investment in Associate	3	-	-	205.18	205.18	205.18
Current						
Financial assets						
(a) Trade receivables	3	20,508.07	-	-	20,508.07	20,508.07
(b) Cash and cash equivalents	3	2,747.96	-	-	2,747.96	2,747.96
(c) Other bank balances	3	5,000.51	-	-	5,000.51	5,000.51
(d) Other financial assets	3	453.07	-	-	453.07	453.07
Total		**29,633.35**	**-**	**205.18**	**29,838.53**	**29,838.53**
Liabilities:						
Non-Current						
(a) Borrowings	3	335.41	-	-	335.41	335.41
Current						
Financial liabilities						
(a) Borrowings	3	6,704.90	-	-	6,704.90	6,704.90
(b) Trade payables	3	5,538.46	-	-	5,538.46	5,538.46
(c) Other financial liabilities						
(i) Derivative liability	2	-	-	5.46	5.46	5.46
(ii) Other financial liabilities	3	1,546.78	-	-	1,546.78	1,546.78
Total		**14,125.55**	**-**	**5.46**	**14,131.01**	**14,131.01**

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 12. Financial risk management

Risk management framework

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

Credit risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.
The group primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the group has a procedure in place aiming to minimize collection losses.

The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group'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 with high credit ratings.

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

The group'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.

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 group also holds deposits as security from certain customers to mitigate credit risk.

a. Trade receivables

The group'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 the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. group has a process in place to monitor outstanding receivables on a monthly basis.

The group's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised

Particulars	Carrying amount	
	As at December 31, 2022	**As at March 31, 2022**
Trade receivables (Gross)	33,291.92	21,782.64
Less: Expected credit loss	(1,233.44)	(1,274.57)
Trade receivables as per the financial statements	**32,058.48**	**20,508.07**

The group's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Particulars	Carrying amount	
	As at December 31, 2022	**As at March 31, 2022**
Other bank balances	5,562.14	5,000.51
Other financial assets	1,499.14	1,376.81
Total	**7,061.28**	**6,377.32**

Particulars	**As at December 31, 2022**	**As at March 31, 2022**
Opening balance	1,274.57	850.00
Add: provided/ (reversed) during the period	(41.13)	424.57
Net re-measurement of ECL	**1,233.44**	**1,274.57**

Significant estimates and judgements
Provision for expected credit loss on Trade receivables

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The group 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.

Following are the financial assets carried at amortised cost at the reporting date.

Particulars	**As at December 31, 2022**	**As at March 31, 2022**
Trade receivables	32,058.48	20,508.07
Cash and cash equivalents	1,095.99	2,747.96
Other bank balances	5,562.14	5,000.51
Other financial assets	1,499.14	1,376.81
Total	**40,215.75**	**29,633.35**

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. group'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.

The group monitors the level of expected cash inflows from financial assets together with expected cash outflows on trade payables and other financial liabilities. As at December 31, 2022, the expected cash flows from Trade receivables is Rs. 32,058.48 (As at March 31, 2022: Rs. 20,508.07).

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.
(i) Financing arrangements
The group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	**As at December 31, 2022**	**As at March 31, 2022**
Expiring within one year (bank overdraft and other facilities)	7,981.60	21,759.69

(All amounts are in Indian rupees lakhs, unless otherwise stated)

(ii) Maturities of Financial Liabilities
As at December 31, 2022

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	20,818.40	-	-	20,818.40
Trade payables	6,564.98	-	-	6,564.98
Other financial liabilities (excluding trade payables)	1,586.11	-	-	1,586.11
	28,969.48	**-**	**-**	**28,969.48**

As at March 31, 2022

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	6,704.90	335.41	-	7,040.31
Trade payables	5,538.46	-	-	5,538.46
Other financial liabilities (excluding trade payables)	1,552.24	-	-	1,552.24
Total	**13,795.60**	**335.41**	**-**	**14,131.01**

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. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at December 31, 2022 and March 31, 2022.
The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and 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. This is based on the financial assets and financial liabilities held at December 31, 2022 and March 31, 2022.

Foreign currency 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 group'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, CHF and EURO against the functional currency of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The group's foreign currency payables and receivables are as follows
Exposure to currency risk
The summary quantitative data about the group's gross exposure to currency risk is as follows:

Particulars	Currency	As at December 31, 2022		As at March 31, 2022	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	33.77	2,793.49	7.75	585.69
	EURO	0.14	12.43	-	-
Amounts Payable	USD	25.85	2,138.74	14.99	1,132.75
	EURO	1.42	125.14	1.60	134.69
	CHF	0.04	3.43	0.21	17.06

Sensitivity analysis:
A reasonably possible strengthening (weakening) of the USD, CHF and EURO, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
December 31, 2022 (5% change)				
USD	32.74	(32.74)	24.50	(24.50)
EURO	(5.64)	5.64	(4.22)	4.22
CHF	(0.17)	0.17	(0.13)	0.13
March 31, 2022 (5% change)				
USD	85.92	(85.92)	64.30	(64.30)
EURO	6.73	(6.73)	5.04	(5.04)
CHF	0.85	(0.85)	0.64	(0.64)

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. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes 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.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	December 31, 2022	March 31, 2022
Change in interest rate		
- increase by 50 basis points	4.58	5.09
- decrease by 50 basis points	(4.58)	(5.09)

Astra Microwave Products Limited
Notes forming part of condensed consolidated financial statements for the nine months ended December 31, 2022
(All amounts are in Indian rupees lakhs, unless otherwise stated)

Note 13: Dividends

Particulars	Amount
Final dividend declared for the year ended March 31, 2022 and paid during the period ended December 31, 2022 - Rs. 1.40/- per fully paid-up share	1,212.56

Note 14:
The Company in its board meeting dated December 09, 2022 has approved to raise capital by way of public issue or preferential allotment, private placement including one or more qualified institutions placement (QIP) to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding Rs. 400 crore.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

BENARJI MALLAMPATI
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

INDEPENDENT AUDITOR'S REPORT

To the Members of Astra Microwave Products Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Astra Microwave Products Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate company and joint venture (refer Note 43 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of profit and loss (including Other Comprehensive Income) , the consolidated Statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associate company and joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated statement of cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate company and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 and 15 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of the Expected credit loss (“ECL”) provision in respect of trade receivables carried at amortized cost. **(Refer Note 7 and Note 38 to the Consolidated financial statements)** The Company has trade receivables aggregating to Rs. 21,782.64 lakhs as at March 31, 2022, in respect of which the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, and recognises expected lifetime losses from initial recognition of the receivables. The provision for ECL as at March 31, 2022 is Rs. 1,274.57 lakhs. This is determined as a key audit matter as determination of the ECL provision involved application of judgement by Management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.	Our procedures, in relation to testing of ECL provision recognized, included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortized cost. • Reading of the underlying contracts and invoices on test check basis, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due. • Assessing the appropriateness of the credit loss provisioning methodology used by the management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time. Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.

Other Information

5. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report but does not include the consolidated financial statements and our and other auditor’s report thereon.

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

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

   Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

8. The respective Board of Directors of the companies included in the Group and of its associate company and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate company and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - 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 ability of the Group and its associate company and joint venture 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company and joint venture to cease to continue as a going concern.

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

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of Rs. 0.42 lakhs and net assets of Rs 0.33 lakhs as at March 31, 2022, total revenue of Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (1.83 lakhs) and net cash flows amounting to Rs. (1.84 lakhs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of Rs. 229.87 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of 1 joint venture , whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary and joint venture, is based solely on the reports of the other auditors.

15. The financial statements of 1 subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 652.09 lakhs and net assets of Rs. 579.20 lakhs as at balance sheet date, total revenue of Rs. 689.57 lakhs , total comprehensive income (comprising of profit and other comprehensive income of Rs. 244.62 lakhs and net cash flows amounting to Rs. 276.65 lakhs for the year then ended; and have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

16. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 4.72 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of 1 associate company, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

    The statutory audit report of Janyu Technologies Private Limited, an associate company of the Holding Company has not been issued until the date of this report. Accordingly, no comments for the said an associate company have been included for the purpose of reporting under this clause.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on May 25, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture incorporated in India, none of the directors of the Group companies, and joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements.

        ii. The Group and joint venture were not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group and joint venture did not have any long-term derivative contracts as at March 31, 2022.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company or any of such subsidiaries and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, joint venture and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds which are material either individually or in the aggregate have been received by the Company or any of such subsidiaries and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, joint venture and associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act.

19. The Group have provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000AJOLDU8168

Place: Hyderabad
Date: May 25, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Astra Microwave Products Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Astra Microwave Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 1 joint venture company incorporated in India namely Astra Rafael Comsys Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 1 subsidiary company, incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000AJOLDU8168

Place: Hyderabad
Date: May 25, 2022

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**15,863.39**	15,243.81
Intangible Assets		**100.75**	28.10
Capital work-in-progress	2	**8.23**	-
Investment in Joint Venture	3 (a)	**1,179.58**	1,409.44
Investment in Associate	3 (a)	**205.18**	200.46
Financial assets			
i. Other financial assets	4(a)	**923.74**	1,135.39
Deferred tax assets (Net)	14	**692.44**	278.05
Non current tax assets	9(a)	**298.92**	-
Other non-current assets	5(a)	**285.89**	287.43
Total non-current assets		**19,558.12**	18,582.68
Current assets			
Inventories	6	**41,933.79**	32,961.07
Financial assets			
i. Investments	3 (b)	**-**	1,409.60
ii. Trade receivables	7	**20,508.07**	26,681.79
iii. Cash and cash equivalents	8A	**2,747.96**	1,751.63
iv. Other bank balances	8B	**5,000.51**	2,500.98
v. Other financials assets	4(b)	**453.07**	1,287.53
Current tax assets (net)	9(b)	**112.37**	112.37
Other current assets	5(b)	**6,538.65**	9,242.00
Total current assets		**77,294.42**	75,946.97
Total assets		**96,852.54**	94,529.65
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**1,732.23**	1,732.23
Other equity	11	**56,826.57**	54,138.27
Equity Attributable to owners of the Company		**58,558.80**	55,870.50
Non Controlling Interest	12	**0.16**	0.16
Total equity		**58,558.96**	55,870.66
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	**335.41**	-
Provisions	13	**429.08**	398.41
Contract liabilities	20	**3,963.46**	-
Total non-current liabilities		**4,727.95**	398.41
Current liabilities			
Financial liabilities			
i. Borrowings	15	**6,704.90**	12,155.45
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	**945.21**	321.21
(b) total outstanding dues other than micro and small enterprises	16(b)	**4,593.25**	3,451.38
iii. Other financial liabilities	17	**1,552.24**	1,204.22
Provisions	13	**354.99**	200.72
Current tax liabilities (net)	18	**5.29**	155.28
Other current liabilities	19	**223.36**	482.44
Contract liabilities	20	**19,186.39**	20,289.88
Total current liabilities		**33,565.63**	38,260.58
Total liabilities		**38,293.58**	38,658.99
Total equity and liabilities		**96,852.54**	94,529.65
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 25, 2022

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income :			
Revenue from Operations	21	**75,046.31**	64,091.22
Other Income	22	**637.79**	1,086.14
Total Income		**75,684.10**	65,177.36
Expenses :			
Cost of materials consumed	23	**54,209.73**	48,621.47
Changes in inventories of finished goods and work-in-progress	24	**(1,489.07)**	(4,034.05)
Employees benefits expense	25	**8,062.83**	7,137.60
Finance costs	28	**2,108.90**	2,491.00
Depreciation and amortisation expenses	26	**2,204.15**	2,354.11
Other expenses	27	**5,341.26**	4,468.80
Total Expenses		**70,437.80**	61,038.93
Profit/(Loss)before tax and Share of profit from JV and Associate		**5,246.30**	4,138.43
Share of Profit/(loss) from JV		**(229.87)**	(284.16)
Share of Profit/(loss) from Associate		**4.72**	0.36
Profit/(Loss) before tax		**5,021.15**	3,854.63
Income tax expense	27 (c)		
- Current tax		**1,600.35**	1,150.94
- Tax of earlier years		**23.87**	(32.16)
- Deferred tax		**(390.14)**	(149.32)
Net profit/(loss) for the year		**3,787.07**	2,885.17
Net profit attributible to owners of the company		**3,787.07**	2,885.17
Net profit attributible to Non Controlling Interests		**-**	-
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		**(96.37)**	20.78
b) Income tax relating to items recognised in other comprehensive income		**24.25**	(5.23)
Items that will be reclassified to profit or loss			
Exchange differences on translati0n of foreign operations		**12.68**	(5.96)
Income tax relating to items that will be reclassified to profit or loss		**-**	-
Total other comprehensive income/(loss) for the year, net of tax		**(59.44)**	9.59
Other Comprehensive Income attributible to owners of the company		**(59.44)**	9.59
Other Comprehensive Income attributible to Non Controlling Interests		**-**	-
Total comprehensive income for the year		**3,727.63**	2,894.76
Total Comprehensive Income attributible to owners of the company		**3,727.63**	2,894.76
Total Comprehensive Income attributible to Non Controlling Interests		**-**	-
Earnings per equity share			
Basic earnings per share	29	**4.37**	3.33
Diluted earnings per share		**4.37**	3.33
Summary of Significant Accounting Policies	1		

The above statement of profit and loss should be read in conjunction with the accompanying notes
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 25, 2022

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated statement of changes in equity for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

A. Equity Share Capital

2021-22

Balance at 01 April, 2021	Changes in equity share capital during the year	Balance at 31 March, 2022
1,732.23	-	1,732.23

2020-21

Balance at 01 April, 2020	Changes in equity share capital during the year	Balance at 31 March, 2021
1,732.23	-	1,732.23

B. Other Equity

31-Mar-22

Particulars	Reserves and Surplus						
	Securities Premium	Retained Earnings	General Reserve	Foreign currency translation reserve	Total Other equity	Non-controlling interests	Total
Balance at 01 April, 2021	**6,856.20**	**39,792.42**	**7,482.80**	**6.85**	**54,138.27**	**0.16**	**54,138.43**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at 01 April, 2021	**6,856.20**	**39,792.42**	**7,482.80**	**6.85**	**54,138.27**	**0.16**	**54,138.43**
Total Comprehensive Income for the year*	-	3,714.96	-	12.68	3,727.64	-	3,727.64
Dividends	-	(1,039.34)	-	-	(1,039.34)	-	(1,039.34)
Balance at 31 March, 2022	**6,856.20**	**42,468.04**	**7,482.80**	**19.53**	**56,826.57**	**0.16**	**56,826.73**

31-Mar-21

Particulars	Reserves and Surplus						
	Securities Premium	Retained Earnings	General Reserve	Foreign currency translation reserve	Total Other equity	Non-controlling interests	Total
Balance at 01 April, 2020	**6,856.20**	**37,931.04**	**7,482.80**	**12.81**	**52,282.85**	**0.16**	**52,283.01**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at 01 April, 2020	**6,856.20**	**37,931.04**	**7,482.80**	**12.81**	**52,282.85**	**0.16**	**52,283.01**
Total Comprehensive Income for the year*	-	2,900.72	-	(5.96)	2,894.76	-	2,894.76
Dividends	-	(1,039.34)	-	-	(1,039.34)	-	(1,039.34)
Balance at 31 March, 2021	**6,856.20**	**39,792.42**	**7,482.80**	**6.85**	**54,138.27**	**0.16**	**54,138.43**

*Includes INR (72.12) lakhs (March 31, 2021: INR 15.55 lakhs) on account of remeasurement of defined benefit plans (net of tax)

The above Statement of changes in equity should be read in conjunction with the accompanying notes

This is the Statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 25, 2022

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from Operating Activities		
Profit/(loss) before tax	**5,021.15**	3,854.63
Adjustments for:		
Depreciation expense	**2,204.15**	2,354.11
Finance cost	**2,108.90**	2,491.00
Interest income	**(225.15)**	(241.32)
Share of (profit)/loss from Joint venture and associate	**225.15**	283.80
(Gain)/loss on fair valuation of financial assets	**-**	(104.90)
(Gain)/loss on sale of investments(net)	**(48.24)**	-
(Gain)/loss on disposal of property, plant and equipment	**(1.98)**	2.18
Unrealised exchange (gain)/loss	**15.42**	(89.12)
Changes in expected credit loss	**424.57**	(116.54)
Operating Profit Before Working Capital Changes	**9,723.97**	8,433.84
Changes in assets and liabilities:		
(Increase) / Decrease in inventories	**(8,972.73)**	(4,606.27)
(Increase) / Decrease in trade receivables	**5,757.75**	(1,496.30)
(Increase) / Decrease in other financial assets	**38.82**	0.80
(Increase) / Decrease in other non-current assets	**(0.68)**	(81.32)
(Increase) / Decrease in other current assets	**2,703.36**	(347.97)
Increase/(Decrease) in trade payable	**1,759.98**	(2,346.11)
Increase/(Decrease) in provisions	**88.57**	86.79
Increase/(Decrease) in other financial liabilities	**215.50**	80.32
Increase/(Decrease) in Contract liabilities	**2,494.01**	(1,359.35)
Increase/(Decrease) in other current liabilities	**(259.08)**	(47.21)
Cash generated from/(used in) operating activities	**13,549.47**	(1,682.78)
Income tax paid	**(2,082.18)**	(776.79)
Net cash generated from/(used in) operating activities	**11,467.29**	(2,459.57)
Cash flow from Investing Activities		
Payments for property, plant and equipment	**(2,793.68)**	(368.80)
Proceeds from sale of property, plant and equipment	**5.55**	1.25
Proceeds from sale of current investments	**1,457.84**	-
Proceeds from maturity of/(Investment in) Margin money deposits against bank guarantees	**(1,473.89)**	509.52
Interest received	**206.82**	356.64
Investment in Equity Shares of Joint venture	**-**	(375.00)
Investment in Equity Shares of Associate	**-**	(200.10)
Net cash flow/(used in) Investing Activities	**(2,597.36)**	(76.49)

Consolidated Cash Flow Statement for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Cash flow from Financing Activities		
Proceeds from long term borrowings	**1,460.41**	-
Repayment of long term borrowings	**-**	(475.44)
Proceeds from short term borrowings	**94,436.24**	98,871.58
Repayment of short term borrowings	**(101,011.78)**	(92,202.37)
Finance cost paid	**(1,715.38)**	(1,775.12)
Dividend paid	**(1,043.09)**	(1,039.34)
Net cash from /(used in) Financing Activities	**(7,873.60)**	3,379.31
Net Increase/(decrease) in Cash & Cash Equivalents	**996.33**	843.25
Cash & Cash Equivalents at the Beginning	**1,751.63**	908.38
Cash & Cash Equivalents at the End	**2,747.96**	1,751.63

Reconciliation of cash and cash equivalents as per the Statement of cash flows

Particulars	As at	
	March 31, 2022	March 31, 2021
Cash and Cash Equivalents (Note 7A)		
In current accounts	**2,744.76**	748.16
In deposit accounts	**-**	1,000.00
Cash on hand	**3.20**	3.47

This is the Cashflow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 25, 2022

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The group is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication; manufacture, supply, installations and service of electronic machinery, components, spares and other electronic parts; defence communication and specific Electronic Warfare; designing, developing, manufacturing and dealing in space crafts, launching vehicles, robots for the sectors of aviation and aerospace, deep space, defence and internal security.

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. The financial statements are for the group consisting of Astra Microwave Products Limited (the "Company") and its subsidiaries.

Note 1.1 Basis of preparation of financials statements

(i) Compliance with Ind AS :

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

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following :

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

(iii) New and amended standards adopted by the group

The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends Ind AS 101, Ind AS 103, Ind AS 109, Ind AS 16, Ind AS 37 and Ind AS 41 are effective 1 April 2022.These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.

Principles of consolidation and equity accounting

i) Subsidiary:

Subsidiaries are all entities over which the group has control. The group controls as entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are recognised and carried at fair value through profit and loss.

iii) Joint Venture

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.8 below.

v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity. When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

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 each of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated 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 denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. assets and liabilities are translated at the closing rate at the date of that balance sheet

b. income and expenses are translated at average exchange rates, and

c. All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Note 1.4 : Revenue recognition

(i) Sale of products:

Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied. Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognised only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Revenue from sale of services:

The Group provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognised in the accounting period in which the services are rendered

(iii) Financing component:

The Group recognises significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

Note 1.5 : Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Note 1.6 : 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. 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. 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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination 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 1.7 : Leases

As a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

  Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Note 1.8 : 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 1.9 : 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Note 1.10 : Trade receivables

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The group holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortised cost using effective interest rate method.

Note 1.11 : Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1.12 : Investments and other financial assets

i) Classification

The group 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 group 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 group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition

Regular way purchase and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sale the financial assets.

iii) Measurement

At initial recognition, the group 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 group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group 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 group subsequently measures all equity investments at fair value. Where the group'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 group'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.

iv) Impairment of financial assets

The group 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. Note 38 details how the group determines whether there has been a significant increase in credit risk. For trade receivables only, the group 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.

v) Derecognition of financial assets

A financial asset is derecognized only when

- The group 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 group 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 group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income recognition

Interest income

Interest income from the debt instruments 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 group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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 group, and the amount of the dividend can be measured reliably.

Note 1.13 : Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

Note 1.14 : 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 group or the counterparty.

Note 1.15 : 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 group 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.

Depreciation/amoritisation methods, estimated useful lives and residual value

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are inline with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. 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.

Computer Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Note 1.16 : Trade and other payables

These amounts represent liabilities for goods and services provided to the group 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 1.17 : Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

Note 1.18 : Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 group 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 group 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 group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

Note 1.20 : Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit plans - gratuity; and

(b) Defined contribution plans - provident fund.

a. Defined benefit plans - gratuity

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

b. Defined contribution plans - provident fund

The group pays provident fund contributions to publicly administered funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus plans:

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

Note 1.21 : Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds."

Note 1.22 : Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Note 1.23 : 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.

Note 1.24 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified Managing Director and Joint Managing Directors of the Company as chief operating decision makers.

Note 1.25 : Research and Development expenditure

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

i) It is technically feasible to complete the project so that it will be available for use

ii) Management intends to complete the project and use or sell it

iii) There is an ability to use or sell the project

iv) It can be demonstrated how the project will generate probable future economic benefits

v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and

vi) The expenditure attributable to the project during its development can be reliably measured.

Note 1.26 : Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:

1. Estimation of defined benefit obligation (Refer note 31)
2. Significant financing component (Refer note 21)
3. Provision for expected credit loss (Refer note 38)

   Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2021	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2022	As at 1 April 2021	For the Year	On disposals	Adjustments	As at 31 Mar 2022	As at 31 Mar 2022
Tangible assets											
Land	2,045.97	5.89	-	-	2,051.86	-	-	-	-	-	2,051.86
Buildings	7,662.28	247.83	-	-	7,910.11	2,362.42	500.40	0.14	-	2,862.68	5,047.43
Plant & Machinery	13,489.46	2,104.41	7.15	-	15,586.72	7,317.66	1,247.15	6.68	-	8,558.13	7,028.59
Electrical Installations	411.14	80.35	-	-	491.49	247.02	46.27	-	-	293.29	198.20
Solar Power Plant	669.19	-	-	-	669.19	300.13	41.61	-	-	341.74	327.45
Air Conditioners	468.57	9.82	-	-	478.39	306.75	36.79	-	-	343.54	134.85
Office Equipment	351.85	30.74	1.39	-	381.20	281.41	36.22	1.32	-	316.31	64.89
Computers	888.35	280.98	0.15	(0.03)	1,169.15	780.90	140.78	-	(0.03)	921.65	247.50
Furniture & Fixtures	474.95	52.90	-	-	527.85	294.80	47.85	-	-	342.65	185.20
Vehicles	106.86	-	17.95	-	88.91	63.82	12.48	14.93	-	61.37	27.54
Wind Electric Generator	1,245.47	-	-	-	1,245.47	615.37	80.22	-	-	695.59	549.88
Total	**27,814.09**	**2,812.92**	**26.64**	**(0.03)**	**30,600.34**	**12,570.28**	**2,189.77**	**23.07**	**(0.03)**	**14,736.96**	**15,863.39**
Intangible Assets											
Software	354.82	87.03	-	-	441.85	326.72	14.38	-	-	341.10	100.75
Total	**354.82**	**87.03**	**-**	**-**	**441.85**	**326.72**	**14.38**	**-**	**-**	**341.10**	**100.75**
Capital work-in-progress	**-**	**466.17**	**457.94**	**-**	**8.23**	**-**	**-**	**-**	**-**	**-**	**8.23**

Refer note no. 33 for Capital commitments of the group

Refer note no. 35 for the Assets pledged as security

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 2 : Property, Plant and Equipment.

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2020	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2021	As at 1 April 2020	For the Year	On disposals	Adjustments	As at 31 Mar 2021	As at 31 Mar 2021
Tangible assets											
Land	2,045.97	-	-	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,805.42	856.86	-	-	7,662.28	1,815.73	546.69	-	-	2,362.42	5,299.86
Plant & Machinery	13,021.76	477.68	9.98	-	13,489.46	5,989.43	1,335.26	7.03	-	7,317.66	6,171.80
Electrical Installations	368.78	42.45	0.09	-	411.14	194.74	52.28	-	-	247.02	164.12
Solar Power Plant	669.19	-	-	-	669.19	253.23	46.90	-	-	300.13	369.06
Air Conditioners	439.38	29.19	-	-	468.57	259.85	46.90	-	-	306.75	161.82
Office Equipment	322.29	29.56	-	-	351.85	237.45	43.96	-	-	281.41	70.44
Computers	834.23	54.15	-	(0.03)	888.35	693.10	87.82	-	(0.02)	780.90	107.45
Furniture & Fixtures	418.13	56.82	-	-	474.95	242.26	52.54	-	-	294.80	180.15
Vehicles	110.13	-	3.27	-	106.86	47.84	18.86	2.88	-	63.82	43.04
Wind Electric Generator	1,245.47	-	-	-	1,245.47	523.44	91.93	-	-	615.37	630.10
Total	**26,280.75**	**1,546.71**	**13.34**	**(0.03)**	**27,814.09**	**10,257.07**	**2,323.14**	**9.91**	**(0.02)**	**12,570.28**	**15,243.81**
Intangible assets											
Software	343.51	11.31	-	-	354.82	295.75	30.97	-	-	326.72	28.10
Total	**343.51**	**11.31**	**-**	**-**	**354.82**	**295.75**	**30.97**	**-**	**-**	**326.72**	**28.10**
Capital work-in-progress	**1,205.65**	**-**	**1,205.65**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Refer note no. 33 for Capital commitments of the group

Refer note no. 35 for the Assets pledged as security

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Capital work in progress ageing schedule:

2021-22

	Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8.23	-	-	-	8.23
Projects temporarily suspended	Nil				

2020-21

	Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	Nil				

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

2021-22

	To be completed in			
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

2020-21

	To be completed in			
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 3 (a): Investments

Particulars	As at	
	March 31, 2022	March 31, 2021
A. Non-current investments (Refer Note a below)		
Investments carried at cost		
Equity instruments of Joint venture (unquoted)	**1,179.58**	1,409.44
Investment carried at FVTPL		
Equity instruments in Associate (unquoted)*	**-**	-
Preference shares of Associate (unquoted)	**205.08**	200.36
Investment in share warrants of Associate (unquoted)	**0.10**	0.10
Total	**1,384.76**	1,609.90

*Amount is below the rounding off norm adopted by the group

Note 3(b): Investments

Particulars	As at	
	March 31, 2022	March 31, 2021
B. Current investments (Refer Note b below)		
Investments carried at fair value through profit and loss		
Investments in Mutual Funds (quoted)	**-**	1,409.60
Total	**-**	1,409.60

Note a: Details of Non-Current Investments

Particulars	As at	
	March 31, 2022	March 31, 2021
Investments carried at cost		
(i) Equity instruments of Joint venture (unquoted)		
Astra Rafael Comsys Private Limited 20,000,000 (2021 : 20,000,000) equity shares of INR 10/- each fully paid up	**1,179.58**	1,409.44
Investment Carried at FVTPL		
(i) Equity instruments of Associate (unquoted)		
Janyu Technologies Private Limited* 1 (2021: 1) equity share of INR 10/- each fully paid up	**-**	-
(ii) Preference shares of Associate (unquoted)		
Janyu Technologies Private Limited 106,436 (2021: 106,436) Series E Compulsorily convertible preference shares of INR 10/- each fully paid up	**205.08**	200.36
(iii) Investment in share warrants of Associate (unquoted)		
Janyu Technologies Private Limited 3,000,000 (2021: 3,000,000) Investor Series 1 Share warrants	**0.05**	0.05
Janyu Technologies Private Limited 2,000,000 (2021: 2,000,000) Investor Series 2 Share warrants	**0.05**	0.05
Total	**1,384.76**	1,609.90
Aggregate book value of unquoted investments	**1,384.76**	1,609.90

*Amount is below the rounding off norm adopted by the Group

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note b: Details of Current Investments

Particulars	As at	
	March 31, 2022	March 31, 2021
Investments in Mutual Funds (quoted)		
a) Nil (2021 : 3,739,927.244) Units of SBI Credit Risk Fund - Regular growth	-	1,281.04
b) Nil (2021 - 234,894.521) Units of SBI Magnum Income Fund - Regular Plan - Growth	-	128.56
Total current investment	-	1,409.60
Aggregate of quoted current investments and market value thereof	-	1,409.60
Aggregate book value of unquoted investments -Non-current	**1,384.76**	1,609.90
Aggregate book value and market value of quoted investments - Current	-	1,409.60

Note 4 : Other Financial Asset

Particulars	As at	
	March 31, 2022	March 31, 2021
a) Non-current, carried at amortised cost		
Unsecured, considered good		
Security deposits	**42.35**	79.68
Deposits with banks against bank guarantees		
- remaining maturity period of more than 12 months	**881.39**	1,048.11
Interest Accrued	-	7.60
Total Non Current Other Financial Assets	**923.74**	1,135.39
b) Current		
Interest Accrued	**150.24**	124.30
Deposits with banks against bank guarantees		
- remaining maturity period of less than 12 months	**302.83**	1,161.75
Derivatives carried at fair value through profit or loss		
- Foreign-exchange forward contract	-	1.48
Total current other financial assets	**453.07**	1,287.53

Note 5 : Other Assets

Particulars	As at	
	March 31, 2022	March 31, 2021
a) Non-current		
Unsecured, considered good		
Capital advances	**0.26**	2.48
Deposits with government departments	**85.14**	85.14
Prepaid expenses	**200.49**	199.81
Total non-current assets	**285.89**	287.43

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

b) Current:		
Unsecured, considered good		
Current:		
Prepaid expenses	**491.03**	407.79
Balance with government authorities	**625.17**	2,476.14
Contract Asset	**12.95**	10.85
Export incentives receivable	**-**	393.92
Advance for expenses		
- to related parties	**21.00**	21.00
- to others	**5,388.50**	5,932.30
Total current assets	**6,538.65**	9,242.00

Note 6 : Inventories

Particulars	As at	
	March 31, 2022	March 31, 2021
Raw materials	**22,284.79**	14,802.54
Packing material	**23.58**	22.18
Work-in-progress	**19,340.70**	17,795.30
Finished goods	**284.72**	341.05
Total	**41,933.79**	32,961.07

Raw materials include good-in-transit of INR 1,229.63 lakhs (2021: INR 171.99 lakhs)

Write-downs of inventories to net realisable value amounted to INR 49.66 lakhs (2021: INR 51.04 lakhs). These were recognised as an expense during the year and included in 'Changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

Note 7 : Trade Receivables

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables		
Unsecured, considered good		
- Related parties	**113.23**	162.77
- Others	**20,394.84**	26,519.02
Unsecured, considered doubtful	**1,274.57**	850.00
Less: Expected Credit losses	**(1,274.57)**	(850.00)
Total	**20,508.07**	26,681.79

Refer Note: 44 for aging analyis

Note 8 : Cash and Bank Balances

Note 8A: Cash and Cash Equivalents

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with Banks		
- In current accounts	**2,744.76**	748.16
- In deposit accounts	**-**	1,000.00
Cash on hand	**3.20**	3.47
Total	**2,747.96**	1,751.63

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

NOTE 8B: Other Bank Balances

Particulars	As at	
	March 31, 2022	March 31, 2021
Deposits with banks against bank guarantees	**4,929.21**	2,425.93
Earmarked balances with banks :		
Unpaid dividend account	**71.30**	75.05
Total	**5,000.51**	2,500.98

Deposits with banks above includes Fixed Deposits under lien amounting to INR 378.31 lakhs (2021: INR 368.23 lakhs)

Note 9: Tax Assets (net)

Particulars	As at	
	March 31, 2022	March 31, 2021
a. Non-current		
Advance income tax (net of provision for income tax of INR 1,595.14 lakhs (2021: INR Nil))	**298.92**	-
Total Non-current asset	**298.92**	-
b. Current		
Income Tax Refund Receivabale	**112.37**	112.37
Total	**112.37**	112.37

Note 10: Equity Share Capital

Particulars	As at	
	March 31, 2022	March 31, 2021
Authorised share capital:		
150,000,000 (2021 : 150,000,000) equity shares of INR 2/- each	**3,000.00**	3,000.00
Total	**3,000.00**	3,000.00
Issued and subscribed capital:		
86,611,675 (2021 : 86,611,675) equity shares of INR 2/- each fully paid	**1,732.23**	1,732.23
Total	**1,732.23**	1,732.23

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding of equity shares	Number of shares	% holding of equity shares
Ratnabali Investment Pvt.Ltd.,	**4,634,272**	**5.35%**	4,634,272	5.35%

(b) Movement in Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	**86,611,675**	**1,732.23**	86,611,675	1,732.23
Add: Number of shares issued and subscribed during the year	**-**	**-**	-	-
At the end of the year	**86,611,675**	**1,732.23**	86,611,675	1,732.23

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

c) Terms and rights attached to equity shares:

The company has one class of equity shares having a par value of Rs. 2 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.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

d) Details of shareholding of promoters:

Shares held by the promoter at the end of the year March 31, 2022

Promoter's name	No. of shares	% of shares	% change during the year
Mr.PRAKASH ANAND CHITRAKAR	**3,240,830**	**3.74**	(0.06)
Mrs.PRAMEELAMMA CH	**927,574**	**1.07**	(0.16)
Mrs.RENUKA CHITRAKAR	**2,964,997**	**3.42**	(0.06)
Mrs.PRASANNA LAKSHMI B	**371,621**	**0.43**	-
Mr.RAMAKRISHNA REDDY PUTCHALAPALLY	**36,165**	**0.04**	-

Shares held by the promoter at the end of the year March 31, 2021

Promoter's name	No. of shares	% of shares	% change during the year
Mr.PRAKASH ANAND CHITRAKAR	**3,290,830**	**3.80**	-
Mrs.PRAMEELAMMA CH	**1,066,118**	**1.23**	(0.48)
Mrs.RENUKA CHITRAKAR	**3,014,997**	**3.48**	-
Mrs.PRASANNA LAKSHMI B	**371,621**	**0.43**	(0.58)
Mr.RAMAKRISHNA REDDY PUTCHALAPALLY	**36,165**	**0.04**	(0.01)

Note 11: Other Equity

Reserves and Surplus	As at	
	March 31, 2022	March 31, 2021
General reserve	**7,482.80**	7,482.80
Securities premium reserve	**6,856.20**	6,856.20
Retained earnings	**42,468.04**	39,792.42
Foreign currency translation Reserve	**19.53**	6.85
Total	**56,826.57**	54,138.27

General Reserve	As at	
	March 31, 2022	March 31, 2021
Opening balance	**7,482.80**	7,482.80
Add: Movement during the year	**-**	-
Closing balance	**7,482.80**	**7,482.80**

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Securities Premium Reserve	As at	
	March 31, 2022	March 31, 2021
Opening balance	**6,856.20**	6,856.20
Add: Movement during the year	**-**	-
Closing balance	**6,856.20**	6,856.20

Retained Earnings	As at	
	March 31, 2022	March 31, 2021
Opening balance	**39,792.42**	37,931.04
Add: Net profit for the year	**3,787.07**	2,885.17
Add: Remeasurements of defined benefit plans (net off tax)	**(72.11)**	15.55
Dividend paid	**(1,039.34)**	(1,039.34)
Dividend Tax paid	**-**	-
Closing balance	**42,468.04**	39,792.42

Foreign Currency Translation Reserve

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance	**6.85**	12.81
Movement during the year	**12.68**	(5.96)
Closing Balance	**19.53**	6.85

Note 12 : Non-Controling Interests

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance	**0.16**	0.16
Movement during the year	**-**	-
Closing Balance	**0.16**	0.16

Nature and purpose of reserves

Securities premium reserves:

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

General reserve:

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

Note 13 : Provisions*

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
Provision for compensated absences	**338.64**	312.28
Provision for gratuity	**90.44**	86.13
Total non-current provisions	**429.08**	398.41
Current		
Provision for compensated absences	**135.74**	93.14
Provision for gratuity	**219.25**	107.58
Total current provisions	**354.99**	200.72

*Refer note 31

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 14 : Deferred Tax Liabilities /(Assets)

Particulars	As at	
	March 31, 2022	March 31, 2021
Deferred tax Liabilities	**541.69**	706.35
Deferred tax Assets	**(1,234.13)**	(984.40)
Deferred tax liabilities/ (assets) (net)	**(692.44)**	(278.05)

Reconciliation of Deferred Tax Balance

2021-2022	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to				
Depreciation	**628.15**	(86.46)	-	541.69
On Fair value gain of Mutual funds	**77.91**	(77.92)	-	(0.01)
Forward Contracts	**0.29**	(0.28)	-	0.01
Deferred tax liabilties	**706.35**	(164.66)	-	541.69
Provision for gratuity	**(48.77)**	(4.94)	(24.25)	(77.96)
Provision for Leave Encashment	**(102.04)**	(17.35)	-	(119.39)
Deferred revenue	**(211.12)**	(52.74)	-	(263.86)
Provision for Expected credit loss	**(213.92)**	(105.61)	-	(319.53)
Indexation benefit on land	**(408.55)**	(43.47)	-	(452.02)
Forward contracts	**-**	(1.37)	-	(1.37)
Deferred tax assets	**(984.40)**	(225.48)	(24.25)	(1,234.13)
Deferred tax liabilities/(assets) (net)	**(278.05)**	(390.14)	(24.25)	(692.44)

2020-2021	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to				
Depreciation	**812.01**	(183.86)	-	628.15
On Fair value gain of Mutual funds	**51.51**	26.40	-	77.91
Forward Contracts	**0.89**	(0.60)	-	0.29
Deferred tax liabilties	**864.41**	(158.06)	-	706.35
Provision for gratuity	**(36.02)**	(17.98)	5.23	(48.77)
Provision for Leave Encashment	**(98.18)**	(3.86)	-	(102.04)
Unabsorbed losses	**(100.77)**	100.77	-	-
Deferred revenue	**(156.78)**	(54.34)	-	(211.12)
Provision for Expected credit loss	**(243.25)**	29.33	-	(213.92)
Indexation benefit on land	**(363.37)**	(45.18)	-	(408.55)
Deferred tax assets	**(998.37)**	8.74	5.23	(984.40)
Deferred tax liabilities/(assets) (net)	**(133.96)**	(149.32)	5.23	(278.05)

The group had not created deferred tax asset on the unused tax losses of foreign subsidiary AELIUS Semiconductors Pte. Ltd amounting to INR Nil (2021: INR 30.93 lakhs). The unused tax losses can be carried forward indefinitely.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 15: Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Secured		
From banks		
Term Loans		
Axis bank	**335.41**	-
Total	**335.41**	-
Current		
Secured		
From banks		
Working Capital loans		
HDFC Bank	**3,314.90**	6,000.00
Axis bank	**-**	3,000.00
ICICI Bank	**-**	-
State Bank of India	**1,200.00**	-
Cash Credit facility		
HDFC Bank	**1,055.95**	2,142.87
Canara Bank	**9.05**	987.43
Axis Bank	**-**	25.15
Current maturities of long term debt	**1,125.00**	-
Total	**6,704.90**	12,155.45

Refer note no. 35 for the assets pledged as security

Nature of Security:

(a) Astra Microwave Products Limited

Prime Security:

Pari Passu first charge on stocks and receivables and other chargeable current assets of the Company.

Collateral Security:

Pari Passu first charge on entire unencumbered Fixed Assets of the company.

Pari Passu second charge on the fixed assets of the company funded by other term lenders.

Personal Guarantee:

Personal Guarantee of the following promoters: Mr. P.A. Chitrakar

Terms of Repayment:

i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.

ii) Cash credits from banks are repayable on demand

iii) Interest rates are normally reset on an yearly basis. Present rate of interest ranges between 7.15% and 9.75%.

Term loan

Nature of Security:

a. Term loan from Axis Bank is secured by First exclusive charge on the equipment/machinery funded by this term loan and personal guarantee of following promoters: Mr. P.A. Chitrakar and Mr. B. Malla Reddy.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Terms of Repayment:

i) Term loan from Axis bank is repayable in 8 quarterly instalments starting after 12 months from the date of first disbursement (date of first drawdown was october 10, 2021) along with an interest as mutually agreed with the bank payable on a monthly basis.

ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 8.45%

(b) Bhavyabhanu Electronics Private Limited

Nature of security:

(i) Working capital loan from HDFC Bank is secured by charge on Book debts, movable fixed assets, plant and machinery and fixed deposits of the company.

(ii) Corporate Guarantee of Astra Microwave Products Limited.

Terms of repayment:

i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.

ii) Cash Credit facilities are repayable on demand.

iii) Interest rates are normally reset on an yearly basis. Present rate of interest is 9.55%.

Note 16(a): Trade Payables : Dues to Micro and Small Enterprises

Particulars	As at	
	March 31, 2022	March 31, 2021
Dues to micro and small enterprises (Refer note 16(c))	**945.21**	321.21
Total	**945.21**	321.21

Note 16(b): Trade Payables : Dues to Other than Micro and Small Enterprises

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade Payables :		
to Related Parties	**-**	-
to Others	**4,593.25**	3,451.38
Total	**4,593.25**	3,451.38

Note 16 (c): The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**945.21**	321.20
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	**-**	-

Refer Note-45 for creditors aging analysis

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 17: Other Financial Liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Unpaid Dividend	**71.30**	75.05
Interest accrued but not due	**34.92**	16.40
Capital creditors	**142.87**	30.57
Employee benefits payable	**1,082.49**	962.79
Dues to directors	**119.28**	45.28
Liability for expenses	**85.70**	52.98
Retention monies	**10.22**	10.22
others	**-**	10.93
Derivatives carried at fair value through profit or loss:		
- Foreign-exchange forward contract	**5.46**	-
Total	**1,552.24**	1,204.22

Note 18: Current Tax Liabilities (net)

Particulars	As at	
	March 31, 2022	March 31, 2021
Provision for income tax (net of advance tax and Tax deducted at source INR Nil (2021: INR 1,005.98 lakhs))	**5.29**	155.28
Total	**5.29**	155.28

Note 19: Other Current Liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Statutory dues payable	**223.36**	482.44
Total	**223.36**	482.44

Note 20: Contract Liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
Advance from customers	**3,963.46**	-
Total	**3,963.46**	-
Current		
Advance from customers	**18,142.93**	19,451.05
Deferred revenue	**1,043.46**	838.83
Total	**19,186.39**	20,289.88

Movement of Advance from Customers

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance	**19,451.05**	20,341.72
Received during the year	**20,270.06**	11,423.05
Advances offset on account of sales	**(17,614.72)**	(12,313.72)
Closing balance	**22,106.39**	19,451.05

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Movement of Deferred Revenue

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance	**838.83**	622.92
Interest accrued	**365.96**	684.60
Released to revenue during the year	**(161.33)**	(468.69)
Closing balance	**1,043.46**	838.83

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Deferred Revenue	**161.33**	468.69
Total	**161.33**	468.69

Note 21: Revenue from Operations

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Revenue from contracts with customers		
-Sale of Products	**72,643.70**	62,278.42
-Sale of Services	**2,211.19**	1,646.41
Other Operating Revenue		
-Wind Electrical Power	**191.42**	166.39
Total	**75,046.31**	64,091.22

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Aggregate amount of the transaction price allocated to long term Sale of Products	**213,954.85**	215,241.26

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 48 months.

Reconciliation of revenue recognised with contract price:

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Contract price	**74,693.56**	63,456.15
Adjustment for:		
Financing component	**161.33**	468.68
Revenue from Oprations	**74,854.89**	63,924.83

Critical Judgements in recognising revenue

The group has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the company adjusted the transaction price to reflect the finance component from such customer advances.

Note 22: Other Income

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Interest income	**225.15**	281.47
Export incentives	**176.73**	543.92
Net gain/(loss) on disposal of property, plant and equipment	**1.98**	-
Net gain on financial assets mandatorily measured at fair value through profit or loss(Mutual Funds)	**-**	104.90
Net gain/(loss) on sale of current investments(Mutual Funds)	**48.24**	-
Miscellaneous Receipts	**23.74**	39.31
Changes in expected credit loss in receivables	**-**	116.54
Insurance claim received	**161.95**	-
Total	**637.79**	1,086.14

* Interest income includes interest on income tax refund of INR Nil (2021: INR 40.15 lakhs)

Note 23: Cost of Materials Consumed

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Raw materials and packing materials at the beginning of the year	**14,824.72**	14,252.51
Add: Purchases	**61,693.38**	49,193.68
Less: Raw materials and packing materials at the end of the year	**(22,308.37)**	(14,824.72)
Total	**54,209.73**	48,621.47

Note 24: Changes in inventories of finished goods and work-in-progress

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Opening Balance:		
Finished goods	**341.05**	111.45
Work-in-progress	**17,795.30**	13,990.85
Total(A)	**18,136.35**	14,102.30
Closing Balance:		
Finished goods	**284.72**	341.05
Work-in-progress	**19,340.70**	17,795.30
Total(B)	**19,625.42**	18,136.35
Changes in inventories of finished goods and work-in-progress (A)-(B)	**(1,489.07)**	(4,034.05)

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 25: Employee Benefit Expenses

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	**6,848.23**	6,191.16
Contribution to Provident Fund	**366.02**	328.03
Contribution to Employee State Insurance	**22.16**	22.13
Gratuity	**117.56**	101.98
Leave encashment	**238.19**	141.83
Directors remuneration	**229.44**	178.90
Staff welfare expenses	**241.23**	173.57
Total	**8,062.83**	7,137.60

Note 26: Depreciation Expenses

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment	**2,189.77**	2,323.14
Amortisation of intangible assets	**14.38**	30.97
Total	**2,204.15**	2,354.11

Note 27: Other Expenses

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Consumption of stores and spares	**103.38**	63.69
Power and fuel	**359.08**	348.18
Repairs and maintenance		
Plant and machinery	**579.46**	503.08
Buildings	**104.19**	42.13
Computers	**294.10**	310.72
Others	**657.60**	435.07
Travelling and conveyance	**753.91**	586.53
Printing and stationery	**51.36**	46.76
Telephone and communication charges	**49.93**	58.21
Operating lease rent	**97.62**	82.72
Insurance	**199.11**	156.83
Rates and taxes	**83.39**	79.89
Legal and professional fees	**420.10**	297.89
Payment to auditors (Refer note 27 (a))	**36.25**	35.20
Changes in fair value of financial assets	**424.57**	-
Business promotion expenses	**132.68**	44.97
Royalty expense	**(0.22)**	0.35
Donations*	**1.25**	0.50
Corporate social responsibility expenditure (Refer note 27 (b))	**79.00**	106.51
Security charges	**191.00**	174.19
Payments to non-executive directors	**66.92**	40.40
Bank charges and commission	**35.43**	74.86
Selling and distribution expenses	**140.12**	81.87
Foreign exchange fluctuations	**258.56**	711.43
Net loss on disposal of property, plant and equipment	**-**	2.18
Project expenses	**1.00**	-
Miscellaneous expenses	**221.47**	184.64
Total	**5,341.26**	4,468.80

* Donations above include INR 0.75 Lakhs (2021: INR 0.50 lakhs) paid to communist party of India (Marxist).

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

27(a) Payment to Auditors

Particulars	Year ended	
	March 31, 2022	March 31, 2021
As auditors		
Statutory Audit fee (including fees for quarterly reviews)	**34.00**	34.00
In other capacities		
Certification fees	**2.25**	1.20
Total	**36.25**	35.20

27(b) Corporate Social Responsibility Expenditure

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Amount required to be spent as per Section 135 of the Act	**76.39**	105.15
Amount of expenditure incurred in INR	**79.00**	106.51
Shortfall at the end of the year	**-**	-
Total of previous year's shortfall	**-**	-
Reason for shortfall	**-**	-

Nature of CSR activities

The group has incurred an amount of INR 79 lakhs during the year towards donations to Kasturi Bhai Mahila mandali, Prime Minister National Relief Fund, Care and Share Charitable Trust, Sarojini Memorial Fund, IIT-Hyderabad.

27 (c) : Tax Expense

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Current Tax		
Current tax on profits for the year	**1,600.35**	1,150.94
Adjustments for current tax of prior periods	**23.87**	(32.16)
Total current tax expense	**1,624.22**	1,118.78
Deferred Tax		
Decrease (increase) in deferred tax assets	**(225.48)**	8.74
(Decrease) increase in deferred tax liabilities	**(164.66)**	(158.06)
Total deferred tax expense/(benefit)	**(390.14)**	(149.32)
Total	**1,234.08**	969.46

(d): Reconciliation of tax expenses and accounting profit multiplied by tax rate:

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Profit before income tax expense	**5,021.15**	3,854.63
Income tax rate	**25.17%**	25.17%
Income tax expense	**1,263.72**	970.13
Tax effects on amounts which are not deductable (taxable) in claculation of taxable income		
i) Effect of tax on disallowed expenses	**37.83**	21.83
ii) Tax of Earlier years	**23.87**	(32.16)
iii) Effect of share of loss from Joint venture on which no deferred tax asset is created	**56.67**	71.43
iv) Indexation on Land	**(43.47)**	(45.18)
v) Effect of Deferred tax asset not created on set off or carried forward losses from Subsidiaries	**(34.65)**	(9.50)
vi) Effect of different rate of tax at subsidiaries	**(19.37)**	(4.64)
vii) Others	**(50.53)**	(2.45)
Income tax recognised in statement of profit and loss	**1,234.08**	969.46

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 28: Finance Cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense		
- on term loans	**49.87**	12.28
- on working capital loans	**969.04**	888.38
- on others	**9.30**	29.58
- on advances received from customers	**365.96**	684.60
Other finance charges	**714.73**	876.15
Total	**2,108.90**	2,491.00

Net Debt Reconciliation

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents	**2,747.96**	1,751.63
Liquid investments	**-**	1,409.60
Current borrowings	**(5,579.90)**	(12,155.45)
Current maturities of long term debt	**(1,125.00)**	-
Non-current borrowings	**(335.41)**	-
Interest accrued	**(34.92)**	(16.40)
Net Debt	**(4,327.27)**	(9,010.62)

Particulars	Assets		Liabilities from financing activities			Total
	Cash and Cash Equivalents	Liquid Investments	Current borrowings	Non-current borrowings including Current maturities	Interest Accrued	
Net debt as at 1 April 2020	**908.38**	**1,304.70**	**(5,486.23)**	**(475.44)**	**(13.73)**	**(3,762.32)**
Cash flows	843.25	-	(6,669.22)	475.44	-	(5,350.53)
Interest Expense	-	-	-	-	(900.66)	(900.66)
Interest paid	-	-	-	-	897.99	897.99
Fair value adjustments	-	104.90	-	-	-	104.90
Net debt as at 31 March 2021	**1,751.63**	**1,409.60**	**(12,155.45)**	**-**	**(16.40)**	**(9,010.62)**
Cash flows	996.33	(1,457.84)	6,575.55	(1,460.41)	-	4,653.63
Interest Expense	-	-	-	-	(1,018.91)	(1,018.91)
Interest paid	-	-	-	-	1,000.39	1,000.39
Gain on sale of investments	-	48.24	-	-	-	48.24
Net debt as at 31 March 2022	**2,747.96**	**-**	**(5,579.90)**	**(1,460.41)**	**(34.92)**	**(4,327.27)**

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 29. Earnings Per Share

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Profit after tax attributable to owners of the Company	**3,787.07**	2,885.17
Basic:		
Weighted average number of equity shares	**86,611,675**	86,611,675
Earnings per share (INR)	**4.37**	3.33
Diluted:		
Earnings per share (INR)	**4.37**	3.33

Note: EPS is calculated based on profits excluding the other comprehensive income
Basic and diluted earnings per share are equal as there are no potential equity shares

Note 30: Related Party Disclosures

A. List of Related Parties:

Name of the Related Party	Nature of Relationship
Astra Rafael Comsys Private Limited	Joint Venture Company
Janyu Technologies Private Limited	Associate
Mr. S. Krishna Reddy	Relative of a director
Key Managerial Persons (KMP):	
Mr. S. Gurunatha Reddy	Managing Director
Mr. M. Venkateshwar Reddy	Joint Managing Director
Mr. T. Anjaneyulu	Company Secretary
Mr. BVS Narasingaa Rao	Chief Financial Officer

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

Name of the related parties	Nature of transactions	As at	
		March 31, 2022	March 31, 2021
Janyu Technologies Private Limited	Investment in equity shares*	**-**	-
	Investment in CCPS	**200.00**	200.00
	Investment in Share Warrants	**0.10**	0.10
	Advance paid	**21.00**	21.00
	Outstanding amount receivable against sale of goods	**4.43**	-
Astra Rafael Comsys Private Limited	Amount receivable against sales of goods	**108.80**	162.77
	Value of Corporate guarantee	**750.00**	400.00
	Advance received	**1,308.15**	1,499.98
	Investment in Shares	**2,000.00**	2,000.00

* Below the rounding off norm adopted by the group.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

C. Details of Transactions during the year:

Name of the related parties	Nature of balance	Year ended	
		March 31, 2022	March 31, 2021
Astra Rafael Comsys Private Limited	Investment in Shares	-	375.00
	Sales of goods	1,324.82	106.69
Janyu Technologies Private Limited	Investment in equity shares*	-	-
	Investment in CCPS	-	200.00
	Advance Paid	-	21.00
	Investment in Share Warrants	-	0.10
	Sale of goods	4.48	-
	Sale of service/job work	0.86	-
	Amount received against sale/service	0.90	-
Mr. S. Gurunatha Reddy	Director's remuneration	117.69	89.45
Mr. M. Venkateshwar Reddy	Director's remuneration	116.61	89.45
Mr. S. Krishna Reddy	Remuneration to relative of a director	19.92	20.13
Mr. T. Anjaneyulu	Company Secretary's remuneration	16.97	16.76
Mr. BVS Narasingaa Rao	CFO's remuneration	20.26	19.33

* Amount is below the rounding off norm adopted by the group.

Note 31: Employee Benefit Obligations

a) Leave obligations

The leave obligation covers the group's liability for sick and earned leave. Refer Note-13 and 25, for details of provision made in this regard.

b) Defined Contribution Plan

The group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined such plan for the financial year 2021-22 is INR 366.02 lakhs and for the financial year 2020-21 is INR 328.03 lakhs.

c) Defined Benefit Plan:

Gratuity

The group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Defined benefit plans – as per actuarial valuation on March 31, 2022

i. Expense recognised in the Statement of Profit and Loss for the year ended March 31, :

Particulars	Gratuity	
	March 31, 2022	March 31, 2021
1. Current service cost	**107.56**	93.28
2. Interest cost (net)	**9.99**	8.69
Total expense/(gain) recognised in P&L	**117.56**	101.97

ii. Included in other Comprehensive Income

Particulars	March 31, 2022	March 31, 2021
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	**6.44**	-
- Financial Assumptions	**30.72**	(7.57)
- Experience Adjustments	**59.21**	(13.20)
Total expense/(gain) recognised in OCI	**96.37**	(20.77)

iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March

Particulars	March 31, 2022	March 31, 2021
1. Present value of defined benefit obligation as at 31st March	**1,120.97**	930.43
2. Fair value of plan assets as at 31st March	**811.29**	736.72
3. (Surplus)/Deficit	**309.69**	193.71
4. Current portion of the above	**219.25**	107.58
5. Non current portion of the above	**90.44**	86.13

iv. Changes in Obligation and fair value of plan assets during the year

Particulars	March 31, 2022	March 31, 2021
A. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**930.43**	831.56
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**107.56**	93.28
- Past Service Cost	**-**	-
- Interest Expense (Income)	**62.63**	55.06
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**6.44**	-
ii. Financial Assumptions	**30.72**	(7.57)
iii. Experience Adjustments	**31.15**	3.94
4. Benefit payments	**(47.96)**	(45.84)
5. Present value of defined benefit obligation at the end of the year	**1,120.97**	930.43
B.Change in Fairvalue of Assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**736.72**	688.53
2. Expected return on plan assets		
- Interest Income	**52.63**	46.37

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

3. Recognised in Other Comprehensive Income - Experience adjustments		
- Actual Return on plan assets in excess of the expected return	**(28.06)**	17.14
4. Contributions by employer (including benefit payments recoverable)	**97.96**	30.51
5.Employer Direct Benefit Payement	**(2.09)**	(0.51)
6. Benefit payments	**(45.87)**	(45.32)
7. Fair value of plan assets at the end of the year	**811.29**	736.72

The key assumptions used in accounting for gratuity are as below

v. Actuarial assumptions	March 31, 2022	March 31, 2021
1. Interest rate/Discount rate	**7.32%**	6.91%
2. Rate of increase in compensation	**6.96%**	6.00%
3. Attrition rate	**17.00%**	6.70%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant acturial assumptions would have affected the defined benefit obligation to the amounts shown below:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Discount rate (If changed by 1%)		
Increase	**1,073.23**	860.65
Decrease	**1,173.54**	1,011.20
Salary escalation rate (If changed by 1%)		
Increase	**1,178.60**	1,015.39
Decrease	**1,067.44**	855.76

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected Cashflow and duration of the plan

Particulars	Gratuity plan	
	As at	
	March 31, 2022	March 31, 2021
Weighted average duration of DBO	**5.37**	13.11
1. Expected employer contributions in the next year	**281.63**	171.41
2. Expected benefit payments		
Year 1	**219.25**	107.58
Year 2 - 5	**593.81**	309.91
Beyond 5 years	**466.41**	396.55

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Vii. Weighted Average Asset Allocations at end of current period

Particulars	As at	
	March 31, 2022	March 31, 2021
Fund held with Life Insurance Corporation of India	**100%**	100%
Total	**100%**	100%

viii. Risk Exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 32:

Segment Information

The group operates in a single product segment. Additional disclosures required as per Ind AS 108, "Operating Segments" are included below:

a. Geographical Segment revenue by location of customers

The following is an analysis of the group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended	
	March 31, 2022	March 31, 2021
In India	**50,610.13**	35,110.52
Outside India*	**24,436.18**	28,980.70
Total	**75,046.31**	64,091.22

*Segment revenue from outside India does not include deemed exports to Export Oriented Units

b. Geographical Segment Assets

	As at March 31, 2022	As at March 31, 2021
Segment assets		
India	**17,680.39**	16,895.08
Outside India	**5.71**	0.11
Total	**17,686.10**	16,895.19

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Major Customers contributing more than 10 percent of revenue

Particulars	As at	
	March 31, 2022	March 31, 2021
Elta Systems Limited	**21,979.11**	28,196.68
Bharat Electronics Ltd,B'lore	**11,646.63**	2,235.64
DCX Cable Assemblies Pvt., Ltd.,	**10,446.22**	6,203.12

Note 33: Commitments and Contingent Liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
A. Contingent Liabilities in respect of:		
a) Corporate guarantee on behalf of Astra Rafael Comsys Pvt. Ltd, Joint Venture company	**750.00**	400.00
b) Disputed excise duty matters *	**248.19**	248.19
c) Income tax penalty**	**91.66**	-
Total Contingent Liabilities	**1,089.85**	648.19
B. Estimated amount of capital contracts remaining to be executed and not provided for	**122.80**	27.41
Total Capital Commitments	**122.80**	27.41

* The group has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

**The group has received a penalty order for AY 2018-19 against a demand order which is closed in the current financial year. The company has preferred a appeal against the order and is pending before Commissioner of Income-Tax (Appeals) and the same has been disclosed as contingent liability.

Note 34: Events Occurring after the reporting period :

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.

Note 35: Assets Pledged as Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
Financial assets		
Trade receivables	**20,537.09**	26,604.71
Other bank balances	**4,914.20**	2,425.93
Other financial assets	**453.06**	1,287.54
Non-financial assets		
Inventories	**41,898.86**	32,893.81
Total current assets pledged as security (A)	**67,803.21**	63,211.99
Non-current		
Property, plant and equipment	**15,963.23**	15,271.79
Capital work-in-progress	**8.23**	-
Other financial assets	**896.40**	1,055.71
Total non-current assets pledged as security (B)	**16,867.86**	16,327.50
Total assets pledged as security ((A) + (B))	**84,671.07**	79,539.49

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 36: Research and Development

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
Capital expenditure	**1,132.56**	-
Revenue expenditure	**2,463.07**	2,249.69
Total	**3,595.63**	2,249.69

Note 37: Financial Instruments

Fair value

The management assessed the fair value of trade receivables, cash and cash equivalents, other bank balances, 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. The group has determined fair value of Non current financial assets using discounted cash flow of future projected cash flow.

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-current						
(a) Other financial assets	3	923.74	-	-	923.74	923.74
Current						
Financial assets						
(a) Trade receivables	3	20,508.07	-	-	20,508.07	20,508.07
(b) Cash and cash equivalents	3	2,747.96	-	-	2,747.96	2,747.96
(c) Other Bank Balances	3	5,000.51	-	-	5,000.51	5,000.51
(d) Other Financial Assets	3	453.07	-	-	453.07	453.07
(e) Investment in Associate	3	-	-	205.18	205.18	205.18
Total		**29,633.35**	**-**	**205.18**	**29,838.53**	**29,838.53**
Liabilities:						
Non-Current						
(a) Borrowings	3	335.41	-	-	335.41	335.41
Current						
Financial liabilities						
(a) Borrowings	3	6,704.90	-	-	6,704.90	6,704.90
(b) Trade payables	3	5,538.46	-	-	5,538.46	5,538.46
(c) Other financial liabilities						
(i) Derivative liability	2	-	-	5.46	5.46	5.46
(ii) Other financial liabilities	3	1,546.78	-	-	1,546.78	1,546.78
Total		**14,125.55**	**-**	**5.46**	**14,131.01**	**14,131.01**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-current						
(a) Other financial assets	3	1,135.39	-	-	1,135.39	1,135.39
Current						
Financial assets						
(a) Trade receivables	3	26,681.79	-	-	26,681.79	26,681.79
(b) Cash and cash equivalents	3	1,751.63	-	-	1,751.63	1,751.63
(c) Bank Balances other than (b) above	3	2,500.98	-	-	2,500.98	2,500.98
(d) Investments	1	-	-	1,409.60	1,409.60	1,409.60
(e) Investments in Associate	3	-	-	200.46	200.46	200.46
(f) Other financial assets						
(i) Derivative asset	2	-	-	1.48	1.48	1.48
(ii) Others	3	1,286.05	-	-	1,286.05	1,286.05
Total		**33,355.84**	**-**	**1,611.54**	**34,967.38**	**34,967.38**
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	3	12,155.45	-	-	12,155.45	12,155.45
(b) Trade payables	3	3,772.59	-	-	3,772.59	3,772.59
(c) Other financial liabilities	3	1,204.22	-	-	1,204.22	1,204.22
Total		**17,132.26**	**-**	**-**	**17,132.26**	**17,132.26**

Fair value hierarchy

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

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note 38: Financial Risk Management

Risk management framework

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

Credit risk

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

The group primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the group has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group'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 with high credit ratings.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

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

The group’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.

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 group also holds deposits as security from certain customers to mitigate credit risk.

a. Trade receivables

The group’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 the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. group has a process in place to monitor outstanding receivables on a monthly basis.

The group's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2022	March 31, 2021
Trade receivables (Gross)	**21,782.64**	27,531.79
Less: Expected credit loss	**(1,274.57)**	(850.00)
Trade receivables as per the financial statements	**20,508.07**	26,681.79

The group's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2022	March 31, 2021
Deposits included in Cash and cash equivalents	**-**	1,000.00
Other bank balances	**5,000.51**	2,500.98
Investment in Associate	**205.18**	200.46
Investment in Mutual funds	**-**	1,409.60
Other financial assets	**1,376.81**	2,422.92
Less: Expected credit loss	**-**	-
Trade receivables as per the financial statements	**6,582.50**	7,533.96

Movement in Expected Credit loss

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance	**850.00**	966.55
Add: provided/ (reversed) during the year	**424.57**	(116.55)
Net re-measurement of ECL	**1,274.57**	850.00

Significant estimates and judgements

Provision for expected credit loss on Trade receivables

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the group's past history, existing market conditions as well as forward looking estimtes at the end of each reprting period. The group 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.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables	**20,508.07**	26,681.79
Cash and cash equivalents	**2,747.96**	1,751.63
Other bank balances	**5,000.51**	2,500.98
Other financial assets	**1,376.81**	2,421.44
Total	**29,633.35**	33,355.84

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. group'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.

The group monitors the level of expected cash inflows from financial assets together with expected cash outflows on trade payables and other financial liabilities. As at March 31, 2022, the expected cash flows from financial assets is Rs. 20,508.07 lakhs (As at March 31, 2021: Rs.28,092.87 lakhs).

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(i) Financing Arrangements

The group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2022	March 31, 2021
Expiring within one year (bank overdraft and other facilities)	**21,759.69**	6,644.56

(ii) Maturities of Financial Liabilities

As at March 31, 2022

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	6,704.90	335.41	-	7,040.31
Trade payables	5,538.46	-	-	5,538.46
Other financial liabilities (excluding trade payables)	1,552.24	-	-	1,552.24
Total	**13,795.60**	**335.41**	**-**	**14,131.01**

As at March 31, 2021

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	12,155.45	-	-	12,155.45
Trade payables	3,772.59	-	-	3,772.59
Other financial liabilities (excluding trade payables)	1,204.22	-	-	1,204.22
Total	**17,132.26**	**-**	**-**	**17,132.26**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

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. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and 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. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

Foreign currency 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 group’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, CHF and EURO against the functional currency of the group. The group’s exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The group's foreign currency payables and receivables are as follows

Exposure to currency risk

The summary quantitative data about the group's gross exposure to currency risk is as follows:

Particulars	Currency	As at			
		March 31, 2022		March 31, 2021	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	7.75	585.69	100.42	7,341.71
	EURO	-	-	0.31	26.58
Amounts Payable	USD	14.99	1,132.75	23.31	1,703.99
	EURO	1.60	134.69	1.71	146.57
	CHF	0.21	17.06	-	-

Sensitivity Analysis:

A reasonably possible strengthening (weakening) of the USD, CHF and EURO, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
31-03-2022 (5% change)				
USD	85.92	(85.92)	64.30	(64.30)
EURO	6.73	(6.73)	5.04	(5.04)
CHF	0.85	(0.85)	0.64	(0.64)
31-03-2021 (5% change)				
USD	452.28	(452.28)	336.42	(336.42)
EURO	8.66	(8.66)	6.44	(6.44)

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Price Risk

The group 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 profit before tax	
	31 March 2022	31 March 2021
Increase by 1%	-	14.10
Decrease by 1%	-	(14.10)

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. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2022	31 March 2021
Change in interest rate		
-increase by 50 basis points	**5.09**	4.50
-decrease by 50 basis points	**(5.09)**	(4.50)

Note 39: Capital Management

The group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2022, the group has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

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

Capital Gearing Ratio

Particulars	As at	
	March 31, 2022	March 31, 2021
Borrowings		
Non-current borrowings	**335.41**	-
Current borrowings	**6,704.90**	12,155.45
Current maturities of long term borrowings	**1,125.00**	-
Debt	**8,165.31**	12,155.45
Equity		
Equity share capital	**1,732.23**	1,732.23
Other equity	**56,826.57**	54,138.27
Total capital	**58,558.80**	55,870.50
Net debt to equity ratio	**14%**	22%

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 40: Dividends

Particulars	Amount
a) Proposed dividend Rs. 1.40/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	1,212.56
b) Final dividend declared for the year ended March 31, 2021 and paid during the year ended March 31, 2022 - Re. 1.20/- per fully paid-up share	1,039.34
b) Final dividend declared for the year ended March 31, 2020 and paid during the year ended March 31, 2021 - Re. 1.20/- per fully paid-up share	1,039.34

Note 41: Short Term Lease

a) Nature of lease

The group has one lease agreement as lessee for its office premises

b) Short term lease exemption

The lease is cancellable at option of both the parties by giving 3 months notice in advance. Accordingly, the group has identified the lease as a short term lease and opted the short term lease exemption.

c) Rent expense on account of short term leases

The rent expense on account of short term leases. (refer note no. 27)

d) Cash ouflow

The lease rent paid is INR 97.62 lakhs

Note 42: Additional Information required by Schedule III

Name of the entity in the Group	Net Assets		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Astra Microwave Products Limited								
Balance as at March 31, 2022	94.46%	55,314.47	106.38%	4,028.64	121.57%	(72.25)	106.14%	3,956.39
Balance as at March 31, 2021	93.97%	52,502.77	82.95%	2,393.20	147.81%	14.17	83.16%	2,407.37
Subsidiaries incorporated in India								
Bhavyabhanu Electronics Private Limited								
Balance as at March 31, 2022	2.10%	1,227.17	-7.21%	(273.05)	-0.24%	0.14	-7.32%	(272.91)
Balance as at March 31, 2021	2.50%	1,394.73	24.02%	693.03	14.37%	1.38	23.99%	694.41
Astra foundation								
Balance as at March 31, 2022	0.00%	0.33	-0.05%	(1.83)	0.00%	-	-0.05%	(1.83)
Balance as at March 31, 2021	0.00%	2.16	-0.02%	(0.60)	0.00%	-	-0.02%	(0.60)
Subsidiaries incorporated outside India								
AELIUS Semiconductors Pte. Ltd. Singapore								
Balance as at March 31, 2022	0.99%	579.20	6.12%	231.93	-21.34%	12.68	6.56%	244.62
Balance as at March 31, 2021	0.60%	334.59	1.97%	56.82	-62.18%	(5.96)	1.76%	50.86

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Investment as per equity method								
Joint venture incorporated in India								
Astra Rafael Comsys Private Limited								
Balance as at March 31, 2022	2.01%	1,179.58	-6.07%	(229.87)	0.00%	-	-6.17%	(229.87)
Balance as at March 31, 2021	2.52%	1,409.44	-9.85%	(284.16)	0.00%	-	-9.82%	(284.16)
Investment Carried at FVTPL								
Associate incorporated in India								
Janyu Technologies Private Limited								
Balance as at March 31, 2022	0.35%	205.18	0.12%	4.72	0.00%	-	0.13%	4.72
Balance as at March 31, 2021	0.36%	200.46	0.01%	0.36	0.00%	-	0.01%	0.36
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2022	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2021	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustments								
Balance as at March 31, 2022	0.09%	53.03	0.70%	26.51	0.00%	-	0.71%	26.51
Balance as at March 31, 2021	0.05%	26.51	0.92%	26.51	0.00%	-	0.92%	26.51
Total								
Balance as at March 31, 2022		58,558.79		3,787.06		(59.43)		3,727.63
Balance as at March 31, 2021		55,870.50		2,885.14		9.59		2,894.73

(i) Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are not in agreement with the books of accounts as set out below:

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Astra Microwave Products Limited

Quarter	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in quarterly return/ statement	Amount of difference - (excess)/ short	Reason for material discrepancies
June 30, 2021	HDFC Bank SBI Bank Canara Bank Axis Bank ICICI Bank	Inventories and Trade	Inventories: INR 34,157.21 lakhs	Inventories: INR 34,171.53 lakhs	Inventories: INR 14.32 lakhs	Net realisable value adjusted in books as per Ind AS 2.
			Trade Receivables: INR 21,629.56 lakhs	Trade Receivables: INR 22,324.90 lakhs	Trade Receivables: INR 695.34 lakhs	Foreign ex-change fluctuation not recorded in the returns submitted to bank and Sales reversal in the books of accounts as the inventory has not reached customer location.
September 30, 2021	HDFC Bank SBI Bank Canara Bank Axis Bank ICICI Bank	Inventories and Trade	Inventories: INR 36,205.91 lakhs	Inventories: INR 36,114.96 lakhs	Inventories: INR (90.95) lakhs	Net realisable value adjusted in books as per Ind AS 2 and cost of sales reversal in the books of accounts as the inventory has not reached customer location.
			Trade Receivables: INR 18,713.68 lakhs	Trade Receivables: INR 18,817.34 lakhs	Trade Receivables: INR 103.66 lakhs	Foreign ex-change fluctuation not recorded in the returns submitted to bank and Sales reversal in the books of accounts as the inventory has not reached customer location.
December 31, 2021	HDFC Bank SBI Bank Canara Bank Axis Bank ICICI Bank	Inventories and Trade	Inventories: INR 42,260.26 lakhs	Inventories: INR 40,918 lakhs	Inventories: INR (1,342.26) lakhs	Net realisable value adjusted in books as per Ind AS 2 and cost of sales reversal in the books of accounts as the inventory has not reached customer location.
			Trade Receivables: INR 22,432.07 lakhs	Trade Receivables: INR 24,343.74 lakhs	Trade Receivables: INR 1,911.67 lakhs	Foreign ex-change fluctuation not recorded in the returns submitted to bank and Sales reversal in the books of accounts as the inventory has not reached customer location.
March 31, 2022	HDFC Bank SBI Bank Canara Bank Axis Bank ICICI Bank	Inventories and Trade	Inventories: INR 40,185.21 lakhs	Inventories: INR 38,785.32 lakhs	Inventories: INR (1,399.89) lakhs	Cost of sales reversal in the books of accounts as the inventory has not reached customer location and purchases recorded on accounts of Goods in transit in books of accounts
			Trade Receivables: INR 21,518.50 lakhs	Trade Receivables: INR 21,906.49 lakhs	Trade Receivables: INR 387.99 lakhs	Foreign ex-change fluctuation not recorded in the returns submitted to bank and Sales reversal in the books of accounts as the inventory has not reached customer location.

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

BEPL to be included

Quarter	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in quarterly return/ statement	Amount of difference - (excess)/ short	Reason for material discrepancies
June 30, 2021	HDFC Bank	Inventories and Trade Receivables	Inventories: INR 2,242.81 lakhs	Inventories: INR 2,242.81 lakhs	Inventories: INR 0	None
			Trade Receivables: INR 814.03 lakhs	Trade Receivables: INR 838.76 lakhs	Trade Receivables: INR 24.73 lakhs	Set off of credit balance with debit balance for the same party
September 30, 2021	HDFC Bank	Inventories and Trade Receivables	Inventories: INR 1,541.36 lakhs	Inventories: INR 1,539.93 lakhs	Inventories: INR 1.43 lakhs	On Account of Overhead Allocation recorded in books of accounts.
			Trade Receivables: INR 146.21 lakhs	Trade Receivables: INR 1,44.42 lakhs	Trade Receivables: INR 1.79 lakhs	Pending Reconciliation with customer
December 31, 2021	HDFC Bank	Inventories and Trade Receivables	Inventories: INR 1,441.78 lakhs	Inventories: INR 1,441.78 lakhs	Inventories: INR 0	None
			Trade Receivables: INR 341.98 lakhs	Trade Receivables: INR 341.98 lakhs	Trade Receivables: INR 0	None
March 31, 2022	HDFC Bank	Inventories and Trade Receivables	Inventories: INR 1,729.12 lakhs	Inventories: INR 1,622.20 lakhs	Inventories: INR 106.92 lakhs	Purchases recorded on accounts of Goods in transit in books of accounts
			Trade Receivables: INR 161.35 lakhs	Trade Receivables: INR 164.01 lakhs	Trade Receivables: INR 2.66 lakhs	Set off of credit balance with debit balance for the same party

(iii) Wilful defaulter

None of the entities in the group have been declared as wilful defaulter by any bank or financial institution or government or any government authority

(iv) Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013

(vi) Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(x) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Note 43: Interest in other entities

The consolidated financial statements of the Group includes subsidiaries, joint venture and associate listed in the table below with the nature of Interest and country of incorporation of the entity

Name	Nature of interest	Country of incorporation	% effective equity interest by group		% effective equity interest by NCI	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Bhavyabhanu Electronics Private Limited*	Subsidiary	India	**100.00%**	100.00%	**0.00%**	0.00%
AELIUS Semiconductors Pte. Ltd. Singapore	Subsidiary	Singapore	**100%**	100%	**-**	-
Astra foundation	Subsidiary	India	**99.90%**	99.90%	**0.10%**	0.10%
Astra Rafael Comsys Private Limited	Joint venture	India	**50%**	50%	**NA**	NA
Janyu Technologies Private Limited	Associate	India	**9.09%**	9.09%	**NA**	NA

*Non controlling interest is below the rounding off norm adopted by the group.

Interest in Joint Venture

The group has invested 50 % in Astra Rafael Comfys Private Limited (Astra Rafael), a Joint venture with Rafael to focus on defence communication and specific Electronic Warfare segment and a business plan in terms of potential business opportunities. The group's interest in Astra Rafael is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Commitments and contingent liabilities in respect of Joint Ventures

Particulars	As at	
	31-Mar-22	31-Mar-21
Estimated amount of capital contracts remaining to be executed and not provided for	-	-

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Summarised financial information of Astra Rafael Comsys Private Limited (Joint Venture)

Particulars	As at	
	31-Mar-22	31-Mar-21
Current assets		
Inventories	**5,185.71**	5,107.26
Financial assets		
i. Investments	**720.01**	250.55
ii. Cash and cash equivalents	**9.17**	340.72
iii. Other bank balances	**612.91**	590.87
iv. Trade Receivables	**12.37**	64.20
Current tax assets (net)	**3.95**	6.31
Other current assets	**2,155.61**	2,264.77
Total Current Assets	**8,699.73**	8,624.68
Non-current assets		
Property, plant and equipment	**2,505.47**	1,649.18
Capital Work-in-progress	**47.79**	268.92
Intangible assets	**5.97**	16.97
Financial assets		
i. Other financial assets	**9.53**	4.84
Deferred tax assets (Net)	**442.99**	332.79
Total Non Current Assets	**3,011.75**	2,272.70
Current liabilities		
Financial liabilities		
i. Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	**11.72**	103.63
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**187.28**	793.42
ii. Other financial liabilities	**952.80**	43.55
Other current liabilities	**7,907.52**	6,844.87
Total current liabilities	**9,059.32**	7,785.47
Non Current Liabilities	**-**	-
Total Non current liabilities	**-**	-
Net Assets	**2,652.16**	3,111.91

Reconciliation of group's share of Net assets in Joint venture with the carrying value

Particulars	As at	
	31-Mar-22	31-Mar-21
Group's Share of Net assets in the Joint venture in Rs.	**1,326.09**	1,555.96
Less: Unrealised gain on sale of Property, plant and equipment	**(146.51)**	(146.51)
Total	**1,179.58**	1,409.45
Carrying value of investment under equity method	**1,179.58**	1,409.44

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Summarised statement of Profit and Loss of Astra Rafael Comsys Private Limited

Particulars	Year ended	
	31-Mar-22	31-Mar-21
Revenue		
Revenue from operations	**2,540.80**	335.74
Other income	**34.56**	58.23
Total Income	**2,575.37**	393.97
Expense		
Cost of materials consumed	**2,068.90**	-
Changes in inventories	**(118.00)**	-
Employees benefits expense	**592.54**	534.11
Depreciation and amortisation expenses	**239.27**	256.55
Other expenses	**362.60**	160.04
Tax expense		
- Current tax	**-**	-
- Deferred tax	**(110.20)**	11.59
Total Expense	**3,035.10**	962.29
Loss from continuing operations	**(459.74)**	(568.32)
Profit from discountinued operations	**-**	-
Loss for the year	**(459.74)**	(568.32)
Other compehensive income	**-**	-
Total comprehensive income	**(459.74)**	(568.32)

Interest in Associate

The group has invested 9.09% during the year in Janyu Technologies Private limited, a company domiciled in India engaged in the business of designing, developing, manufacturing and dealing in space crafts, launching vehicles, robots for the sectors of aviation and aerospace, deep space, defence and internal security etc. Summarized financial information of the associate is set out below.

Summarised financial information of Janyu Technologies Private Limited (Unaudited)

Particulars	As at	
	31-Mar-22	31-Mar-21
Current assets		
Inventories	**110.39**	161.37
Financial assets		
i. Trade receivable	**480.87**	206.13
ii. Cash and Bank Balances	**2.09**	0.47
iii. Other bank balances	**75.00**	176.00
Other current assets	**55.64**	93.79
Total Current Assets	**723.99**	637.76
Non-current assets		
Property, plant and equipment	**374.21**	213.70
Financial assets		
i. Loans and advances	**-**	11.45
Other non-current assets	**18.55**	-
Deferred tax assets (Net)	**-**	-
Total Non Current Assets	**392.76**	225.15

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Current liabilities		
Financial liabilities		
i. Current borrowings	**360.15**	310.24
ii. Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	**-**	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**146.56**	152.05
Provisions	**-**	0.60
Other current liabilities	**38.41**	78.73
Total current liabilities	**545.12**	541.62
Non Current Liabilities		
Financial liabilities		
i. Non current borrowings	**192.04**	10.10
Other Non current liabilities	**7.50**	7.50
Total Non-Current liabilities	**199.54**	17.60
Net Assets	**372.09**	303.69

Summarized statement of Profit and Loss of Janyu Technologies Private Limited [unaudited]

Particulars	Year ended	
	31-Mar-22	31-Mar-21
Revenue		
Revenue from operations	**900.08**	430.37
Other income	**8.83**	4.64
Total Revenue	**908.91**	435.01
Expense		
Cost of materials consumed	**383.10**	190.53
Employees benefits expense	**302.40**	92.13
Depreciation and amortisation expenses	**36.69**	24.96
Finance cost	**41.76**	
Other expenses	**93.04**	123.41
Tax expense		
- Current tax	**-**	-
- Deferred tax	**-**	-
Total Expense	**856.99**	431.03
Profit for the year	**51.92**	3.98
Profit from discountinued operations	**-**	-
Profit for the year	**51.92**	3.98
Other compehensive income	**-**	-
Total comprehensive income	**51.92**	3.98

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note-44: Trade receivables ageing schedule:

2021-22

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
– considered good	-	13,810.54	2,842.26	2,205.19	963.33	686.75	20,508.07
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	338.91	259.19	676.47	1,274.57
(ii) Disputed trade receivables – considered good							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-

2020-21

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
– considered good	-	22,720.12	1,162.68	1,761.56	406.73	630.70	26,681.79
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	270.71	109.44	469.85	850.00
(ii) Disputed trade receivables – considered good							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note-45: Trade Payables ageing schedule

2021-22

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade payables						
– Micro enterprises and samll enterprises	-	945.21	-	-	-	945.21
– Others	1,229.63	3,091.42	128.33	31.32	112.55	4,593.25
(ii) Disputed trade payables						
– Micro enterprises and samll enterprises	-	-	-	-	-	-
– Others	-	-	-	-	-	-

2020-21

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade payables						
– Micro enterprises and samll enterprises	-	321.21	-	-	-	321.21
– Others	171.99	2,937.37	46.33	163.81	131.88	3,451.38
(ii) Disputed trade payables						
– Micro enterprises and samll enterprises	-	-	-	-	-	-
– Others	-	-	-	-	-	-

Note-46: Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 25, 2022

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

INDEPENDENT AUDITOR'S REPORT

To the Members of Astra Microwave Products Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Astra Microwave Products Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture (refer Note 44 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (here in after referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2021, of consolidated total comprehensive income (comprising of net profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 and 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

4. We draw your attention to Note 42 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements, however, in view of various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of the Expected credit loss ("ECL") provision in respect of trade receivables carried at amortized cost. (Refer Note 7 and Note 38 to the Consolidated financial statements) The Group has trade receivables gross aggregating to Rs. 27,531.79 lakhs as at March 31, 2021, in respect of which the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, and recognises expected lifetime losses from initial recognition of the receivables. The provision for ECL as at March 31, 2021 is Rs. 850 lakhs. This is determined as a key audit matter as determination of the ECL provision involved application of judgement by Management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.	Our procedures, in relation to testing of ECL provision recognized, included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortized cost. • Reading of the underlying contracts and invoices, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due. • Assessing the appropriateness of the credit loss provisioning methodology used by the management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time. Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our and other auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

   Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associate and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

9. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - 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 ability of the Group and its associate and joint venture 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 2.26 lakhs and net assets of Rs. 2.16 lakhs as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 0.63 lakhs and net cash outflow amounting to Rs. 0.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of Rs. 284.16 lakhs for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the reports of the other auditors.

16. The financial statements of 1 subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 495.09 lakhs and net assets of Rs. 334.59 lakhs as at March 31, 2021, total revenue of Rs. 437.25 lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 50.86 lakhs and net cash flows amounting to Rs. 169.84 lakhs for the year then ended; and have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

17. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 0.36 lakhs and total comprehensive income of Rs. 0.36 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture incorporated in India, none of the directors of the Group companies, its associate company and joint venture incorporated in India 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 internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate and joint venture – Refer Note 33 to the consolidated financial statements.

    ii. The Group, its associate and joint venture had long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. However they did not have any long-term derivative contracts as at March 31, 2021.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint venture incorporated in India.

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

19. The Group, its associate and joint venture has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 21055000AAAAEN6186

Place: Hyderabad
Date: May 26, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 18 (f) of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Astra Microwave Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 1 associate and 1 joint venture incorporated in India namely Janyu Technologies Private Limited and Astra Rafael Comsys Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of our main audit report.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 1 subsidiary company, which are company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 21055000AAAAEN6186

Place: Hyderabad
Date: May 26, 2021

Consolidated Balance Sheet as at March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	**15,271.91**	16,071.44
Capital work-in-progress	2	**-**	1,205.65
Investment in Joint Ventures	3 (a)	**1,409.44**	1,318.60
Investment in Associate	3 (a)	**200.46**	-
Financial assets			
i. Other financial assets	4(a)	**1,135.39**	1,140.28
Deferred tax assets	14	**278.05**	133.96
Non-current tax assets	9(a)	**-**	577.43
Other non-current assets	**5(a)**	**287.43**	231.46
Total non-current assets		**18,582.68**	20,678.82
Current assets			
Inventories	6	**32,961.07**	28,354.81
Financial assets			
i. Investments	3 (b)	**1,409.60**	1,304.70
ii. Trade receivables	7	**26,681.79**	24,935.84
iii. Cash and cash equivalents	8A	**1,751.63**	908.38
iv. Other bank balances	8B	**2,500.98**	4,414.86
v. Other financials assets	4(b)	**1,287.53**	45.66
Current tax assets (net)	9(b)	**112.37**	-
Other current assets	5(b)	**9,242.00**	8,894.03
Total current assets		**75,946.97**	68,858.28
Total assets		**94,529.65**	89,537.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**1,732.23**	1,732.23
Other equity	11	**54,138.27**	52,282.85
Equity Attributable to owners of the Company		**55,870.50**	54,015.08
Non Controlling Interest	12	**0.16**	0.16
Total equity		**55,870.66**	54,015.24
LIABILITIES			
Non-current liabilities			
Provisions	13(a)	**398.41**	351.33
Total non-current liabilities		**398.41**	351.33
Current liabilities			
Financial liabilities			
i. Borrowings	15	**12,155.45**	5,486.23
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	**321.21**	82.13
(b) total outstanding dues other than micro and small enterprises	16(b)	**3,451.38**	6,030.83
iii. Other financial liabilities	17	**1,204.22**	1,645.48
Provisions	13(b)	**200.72**	181.80
Current tax liabilities (net)	18	**155.28**	249.75
Other current liabilities	19	**482.44**	529.67
Contract liabilities	20	**20,289.88**	20,964.64
Total current liabilities		**38,260.58**	35,170.53
Total liabilities		**38,658.99**	35,521.86
Total equity and liabilities		**94,529.65**	**89,537.10**
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes
This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 26, 2021

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Income :			
Revenue from Operations	21	**64,091.22**	46,722.43
Other Income	22	**1,086.14**	1,215.84
Total Income		**65,177.36**	47,938.27
Expenses :			
Cost of materials consumed	23	**48,621.47**	33,354.04
Changes in inventories of finished goods and work-in-progress	24	**(4,034.05)**	(6,826.71)
Employees benefits expenses	25	**7,137.60**	7,149.88
Finance costs	28	**2,312.40**	846.20
Depreciation	26	**2,354.11**	2,575.91
Other expenses	27	**4,647.40**	4,796.15
Total Expenses		**61,038.93**	41,895.47
Profit/(Loss)before tax and Share of profit from Joint Venture(JV) & Associate		**4,138.43**	6,042.80
Share of Profit/(loss) from JV		**(284.16)**	**(128.89)**
Share of Profit/(loss) from Associate		**0.36**	-
Profit/(Loss) before tax		**3,854.63**	5,913.91
Income tax expense	27 (c)		
- Current tax		**1,150.94**	1,999.52
- Tax of earlier years		**(32.16)**	-
- Deferred tax		**(149.32)**	(489.76)
Net profit/(loss) for the year		**2,885.17**	4,404.15
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		**20.78**	(114.06)
b) Income tax relating to remeasurements of post employment benefit obligations		**(5.23)**	28.82
Items that will be reclassified to profit or loss			
a) Exchange differences on translation of foreign operations		**(5.96)**	13.27
Total other comprehensive income/(loss) for the year, net of tax		**9.59**	(71.97)
Other comprehensive income/(loss) attributable to owners of the company		**9.59**	(71.97)
Other comprehensive income/(loss) attributable to Non-Controlling Interest		**-**	-
Total Comprehensive Income/(loss) of the year		**2894.76**	4332.18
Net profit/(loss) attributible to			
- Owners of the company		**2,885.17**	4,404.15
- Non Controlling Interests*		**-**	-
Total Comprehensive Income/(loss) attributible to			
- Owners of the company		**2,894.76**	4,332.18
- Non Controlling Interests*		**-**	-
Earnings per equity share			
Basic earnings per share (in Rs)	29	**3.33**	5.08
Diluted earnings per share (in Rs)		**3.33**	5.08
Summary of Significant Accounting Policies	1		

*Amounts are below the rounding off norm adopted by the company

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 26, 2021

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated statement of changes in equity for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

A. Equity Share Capital

Particulars	Amount
As at April 1, 2019	**1,732.23**
Changes in equity share capital during the year	-
As at March 31, 2020	**1,732.23**
Changes in equity share capital during the year	-
As at March 31, 2021	**1,732.23**

B. Other Equity

Particulars	Attributable to owners of the equity					Non Controlling Interests	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Foreign currency translation reserve	Total Other equity		
Balance as at April 01, 2019	**6,856.20**	**7,482.80**	**33,885.56**	**(0.46)**	**48,224.10**	**0.16**	**48,224.26**
Profit for the year	-	-	4,404.15	-	4,404.15	-	4,404.15
Remeasurements of post employment benefits (net of tax)	-	-	(85.24)	-	(85.24)	-	(85.24)
Transfer to Foreign currency translation reserve	-	-	-	13.27	13.27	-	13.27
Adjustment due to change in functional currency of Aelius	-	-	(12.39)	-	(12.39)		(12.39)
Dividend paid	-	-	(216.53)	-	(216.53)	-	(216.53)
Dividend distribution tax paid	-	-	(44.51)	-	(44.51)	-	(44.51)
Balance as at March 31, 2020	6,856.20	7,482.80	37,931.04	12.81	52,282.85	0.16	52,283.01
Profit for the year	-	-	2,885.17	-	2,885.17	-	2,885.17
Remeasurements of post employment benefits (net of tax)	-	-	15.55	-	15.55	-	15.55
Transfer to Foreign currency translation reserve	-	-	-	(5.96)	(5.96)	-	(5.96)
Dividend paid	-	-	(1,039.34)	-	(1,039.34)	-	(1,039.34)
Balance as at March 31, 2021	**6,856.20**	**7,482.80**	**39,792.42**	**6.85**	**54,138.27**	**0.16**	**54,138.43**

The above Statement of changes in equity should be read in conjunction with the accompanying notes
This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 26, 2021

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

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

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from Operating Activities		
Profit before tax	**3,854.63**	**5,913.91**
Adjustments for:		
Depreciation expense	**2,354.11**	2,575.91
Finance cost	**2,312.40**	846.20
Interest income	**(241.32)**	(327.30)
Share or profit/(loss) from Joint venture and associate	**283.80**	128.89
(Gain)/loss on sale of investments(net)	**-**	(250.33)
(Gain)/loss on fair valuation of financial assets	**(104.90)**	(82.04)
(Gain)/loss on disposal of property, plant and equipment	**2.18**	(4.87)
Unrealised exchange (gain)/loss	**(89.12)**	(312.93)
Changes in expected credit loss	**(116.54)**	377.55
Operating Profit Before Working Capital Changes	**8,255.24**	**8,864.99**
Changes in assets and liabilities:		
(Increase) / Decrease in inventories	**(4,606.27)**	(14,377.74)
(Increase) / Decrease in trade receivables	**(1,496.30)**	(5,630.02)
(Increase) / Decrease in other financial assets	**0.80**	(32.91)
(Increase) / Decrease in other non-current assets	**(81.32)**	(10.01)
(Increase) / Decrease in other current assets	**(347.97)**	(6,836.67)
Increase/(Decrease) in trade payable	**(2,346.11)**	3,544.02
Increase/(Decrease) in provisions	**86.79**	71.05
Increase/(Decrease) in other financial liabilities	**80.32**	115.63
Increase/(Decrease) in Contract liabilities	**(1,359.35)**	15,278.91
Increase/(Decrease) in other current liabilities	**(47.21)**	73.55
Cash generated from/(used in) operating activities	**(1,861.38)**	**1,060.80**
Income tax paid	**(776.79)**	(1,789.01)
Net cash generated from/(used in) operating activities	**(2,638.17)**	**(728.21)**
Cash flow from Investing Activities		
Payments for property, plant and equipment	**(368.80)**	(1,942.27)
Proceeds from sale of property, plant and equipment	**1.25**	138.12
Purchase of current investments	**-**	(21,500.00)
Proceeds from sale of current investments	**-**	22,551.14
proceeds from maturity of/(Investment in) margin money deposits against bank gurantees	**509.52**	(2,422.36)
Interest received on deposits with banks against bank guarantees	**356.64**	153.64
Investment in Equity Shares of Joint ventures	**(375.00)**	-
Investment in Equity Shares of Associates	**(200.10)**	-
Net cash flow/(used in) Investing Activities	**(76.49)**	**(3,021.73)**

Cash Flow statement for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Cash flow from Financing Activities		
Repayment of long term borrowings	**(475.44)**	(961.11)
Proceeds from short term borrowings	**98,871.58**	1,02,409.54
Repayment of short term borrowings	**(92,202.37)**	(97,177.07)
Interest paid	**(1,596.52)**	(333.19)
Dividend paid	**(1,039.34)**	(216.53)
Dividend tax paid	**-**	(44.51)
Net cash from /(used in) Financing Activities	**3,557.91**	**3,677.13**
Net Increase/(decrease) in Cash & Cash Equivalents	**843.25**	(72.81)
Cash & Cash Equivalents at the Beginning	**908.38**	981.19
Cash & Cash Equivalents at the End	**1,751.63**	**908.38**

Reconciliation of cash and cash equivalents as per the Statement of cashflows

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash and Cash Equivalents (Note 8A)		
In current accounts	748.16	903.86
in deposit accounts	1,000.00	-
Cash on hand	3.47	4.52

This is the Cashflow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 26, 2021

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The Group is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication.

Manufacture, supply, installations and service of electronic machinery, components, spares and other electronic parts, design communication and spare electronic warfare, designing, manufacturing & dealing in space craft, launching vehicles, robots for the sector & aviation and aerospace, deep space, define and internal security.

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.

The financial Statement are for the group consisting of Astra Microwave Products Limited ('The Company") and its subsidiaries Joint venture (the group).

Note 1.1 Basis of preparation of financial statements

(i) Compliance with Ind AS :

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

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following :

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value

(iii) New and amended standards adopted by the group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

(iv) Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Principal of consolidation and equity accounting.

i) Subsidiary:

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

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group."

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are recognised and carred at far value through Profit and Loss

iii) Joint Venture

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet."

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.
The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.8 below."

v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate."

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 each of the Group 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 denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. assets and liabilities are translated at the closing rate at the date of that balance sheet

b. income and expenses are translated at average exchange rates, and

c. All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Note 1.4 : Revenue recognition

(i) Sale of products:

Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognised only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(II) Revenue From sale of Services

The Group provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognised in the accounting period in which the services are rendered

(iii) Financing component:

The Group recognises significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

Note 1.5 : Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Note 1.6 : 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.

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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination 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 1.7 : Leases

Effective from April 1, 2019:

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrouing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entites use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Note 1.8 : 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 1.9 : 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Note 1.10 : Trade receivables

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The Group holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortised cost using effective interest rate method.

Note 1.11 : Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1.12 : Investments and other financial assets

i) Classification

The Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition

Regular way purchase and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sale the financial assets.

iii) Measurement

At initial recognition, the Group 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 Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 Group 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 Group'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 Group 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. Note 38 details how the Group determines 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 Group 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 Group 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 Group has not retained control of the financial asset. Where the Group 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 from the debt instruments 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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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 Group, and the amount of the dividend can be measured reliably.

Note 1.13 : Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

Note 1.14 : 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 Group or the counterparty.

Note 1.15 : 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 Group 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.

Depreciation/amoritisation methods, estimated useful lives and residual value

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. 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 1.16 : Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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 1.17 : Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

Note 1.18 : Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 Group 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 Group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

Note 1.20 : Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans - gratuity; and

(b) Defined contribution plans - provident fund.

a. Defined benefit plans - gratuity

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets. "

b. Defined contribution plans - provident fund

The Group pays provident fund contributions to publicly administered funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus plans:

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

Note 1.21 : Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1.22 : Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Note 1.23 : 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.

Note 1.24 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified Managing Director and Joint Managing Director of the Company as chief operating decision makers.

Note 1.25 : Research and Development expenditure:

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

i) It is technically feasible to complete the project so that it will be available for use

ii) Management intends to complete the project and use or sell it

iii) There is an ability to use or sell the project

iv) It can be demonstrated how the project will generate probable future economic benefits

v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and

vi) The expenditure attributable to the project during its development can be reliably measured.

Note 1.26 : Critical estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:

1. Estimation of defined benefit obligation (Refer note 31)
2. Significant financing component (Refer note 21)
3. Provision for expected credit loss (Refer note 38)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2020	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2021	As at 1 April 2020	For the Year	On disposals	Adjustments	As at 31 Mar 2021	As at 31 Mar 2021
Own assets											
Land	2,045.97	-	-	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,805.40	856.87	-	-	7,662.27	1,815.72	546.69	-	-	2,362.41	5,299.86
Plant & Machinery	13,021.76	477.68	9.98	-	13,489.46	5,989.43	1,335.26	7.03	-	7,317.66	6,171.80
Electrical Installations	368.78	42.45	0.09	-	411.14	194.74	52.28	-	-	247.02	164.12
Solar Power Plant	669.19	-	-	-	669.19	253.23	46.90	-	-	300.13	369.06
Air Conditioners	439.38	29.19	-	-	468.57	259.85	46.90	-	-	306.75	161.82
Office Equipment	322.29	29.56	-	-	351.85	237.45	43.96	-	-	281.41	70.44
Computers	471.48	65.46	-	-	536.94	318.37	118.79	-	-	437.16	99.78
Furniture & Fixtures	1,124.39	56.82	-	(0.03)	1,181.18	912.74	52.54	-	(0.02)	965.26	215.92
Vehicles	110.13	-	3.27	-	106.86	47.84	18.86	2.88	-	63.82	43.04
Wind Electric Generator	1,245.47	-	-	-	1,245.47	523.44	91.93	-	-	615.37	630.10
Total	**26,624.26**	**1,558.03**	**13.34**	**(0.03)**	**28,168.90**	**10,552.82**	**2,354.11**	**9.91**	**(0.02)**	**12,896.99**	**15,271.91**
Capital work-in-progress	**1,205.65**	**-**	**1,205.65**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

Refer Note. 33 for capital commitments of the Group.
Refer Note. 35 for the Assets Pledged as Security.

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 2 : Property, Plant and Equipment.

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2019	Additions	Deletions / transfers	Adjustments	As at 31 March 2020	As at 1 April 2019	For the Year	On disposals	Adjustments	As at 31 March 2020	As at 31 March 2020
Own assets											
Land	2,045.97	-	-	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,804.12	1.28	-	-	6,805.40	1,296.02	519.71	-	-	1,815.72	4,989.68
Plant & Machinery	12,403.18	741.76	123.18	-	13,021.76	4,487.28	1,503.70	1.55	-	5,989.43	7,032.33
Electrical Installations	342.76	26.01	0.00	-	368.78	141.13	53.60	-	-	194.74	174.04
Solar Power Plant	669.19	(0.00)	-	-	669.19	200.21	53.02	-	-	253.23	415.96
Air Conditioners	434.35	5.04	-	-	439.38	201.73	58.12	-	-	259.85	179.53
Office Equipment	305.01	17.28	-	-	322.29	179.30	58.15	-	-	237.45	84.84
Computers	365.31	131.20	25.03	-	471.48	190.30	142.85	14.79	-	318.37	153.12
Furniture & Fixtures	1,083.77	40.58	-	0.04	1,124.39	860.78	51.94	-	0.01	912.74	211.66
Vehicles	120.92	-	10.78	-	110.13	28.09	29.15	9.40	-	47.84	62.29
Wind Electric Generator	1,245.47	-	-	-	1,245.47	417.78	105.67	-	-	523.44	722.03
Total	**25,820.05**	**963.16**	**158.99**	**0.04**	**26,624.26**	**8,002.63**	**2,575.91**	**25.74**	**0.01**	**10,552.82**	**16,071.44**
Capital work-in-progress	**243.39**	**962.27**	**-**	**-**	**1,205.65**	**-**	**-**	**-**	**-**	**-**	**1,205.65**

Refer note no. 33 for Capital commitments of the group

Refer note no. 35 for the Assets pledged as security

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 3 (a): Investments

Particulars	As at	
	March 31, 2021	March 31, 2020
A. Non-current investments (Refer Note a below)		
Investment Accounted using the equity method		
Equity instruments of Joint venture (unquoted)	1,409.44	1,318.60
Investment Carried at FVTPL		
Equity instruments in Associate (unquoted)*	-	-
Preference shares of Associate (unquoted)	200.36	-
Investment in share warrants of Associate (unquoted)	0.10	-
Total	**1,609.90**	**1,318.60**

*Amount is below the rounding off norm adopted by the group

Note 3(b): Investments

Particulars	As at	
	March 31, 2021	March 31, 2020
B. Current investments (Refer Note b below)		
Investment carried at fair value through profit and loss		
Investments in Mutual Funds (quoted)	**1.409.60**	1.304.70
Total	**1.409.60**	1.304.70

Note a: Details of non-current investments

Particulars	As at	
	March 31, 2021	March 31, 2020
Investments accounted for using the equity method		
(i) Equity instruments of Joint ventures (unquoted)		
Astra Rafael Comsys Private Limited	**1,409.44**	1,318.60
20,000,000 (2020 : 16,250,000) equity shares of Rs. 10/- each fully paid up		
Investment Carried at FVTPL		
(ii) Equity instruments of Associate (unquoted)		
Janyu Technologies Private Limited*	**-**	-
1 (2020: Nil) equity share of Rs. 10 each fully paid up		
(iii) Preference shares of Associate (unquoted)		
Janyu Technologies Private Limited	**200.36**	-
106,436 (2020: Nil) Series E Compulsorily convertible preference shares of Rs. 10 each fully paid up		
(iv) Investment in share warrants of Associate (unquoted)		
Janyu Technologies Private Limited	**0.05**	-
3,000,000 (2020: Nil) Investor Series 1 Share warrants		
Janyu Technologies Private Limited	**0.05**	-
2,000,000 (2020: Nil) Investor Series 2 Share warrants		
Total	**1,609.90**	1,318.60
Aggregate book value of unquoted investments	**1,609.90**	**1,318.60**

*Amount is below the rounding off norm adopted by the Group

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note b: Details of current investments

Particulars	As at	
	March 31, 2021	March 31, 2020
Investments in Mutual Funds (quoted)		
a) 3,739,927.244 (2020 : 3,739,927.244) Units of SBI Credit Risk Fund - Regular growth	**1,281.04**	1,185.77
b) 234,894.521 (2020 : 234,894.521) Units of SBI Magnum Income Fund - Regular Plan - Growth	**128.56**	118.93
Total current investment	**1,409.60**	1,304.70
Aggregate of quoted current investments and market value thereof	**1,409.60**	1,304.70
Aggregate book value of unquoted investments -Non-current	**1,609.90**	1,318.60
Aggregate book value and market value of quoted investments - Current	**1,409.60**	1,304.70

Note 4 : Other financial asset

Particulars	As at	
	March 31, 2021	March 31, 2020
a) Non-current, carried at amortised cost		
Unsecured, considered good		
Security deposits	**79.68**	80.48
Deposits with banks against bank guarantees		
- remaining maturity period of more than 12 months	**1,048.11**	1,059.80
Interest Accrued	7.60	-
Total Non Current Other Financial Assets	**1,135.39**	1,140.28
b) Current		
Interest accrued	**124.30**	-
Deposits with banks against bank guarantees		
- remaining maturity period of less than 12 months	**1,161.75**	-
Derivatives carried at fair value through profit or loss		
- Foreign-exchange forward contract	**1.48**	45.66
Total current other financial assets	**1,287.53**	45.66

Note 5 : Other assets

Particulars	As at	
	March 31, 2021	March 31, 2020
a) Non-current		
Unsecured, considered good		
Capital advances	**2.48**	27.83
Deposits with government departments	**85.14**	82.17
Prepaid expenses	**199.81**	121.46
Total non-current assets	**287.43**	231.46
b) Current:		
Unsecured, considered good		
Prepaid expenses	**407.79**	478.63

Balance with government authorities	**2,476.14**	2,973.47
Contract asset	**10.85**	-
Export incentives receivable	**393.92**	-
Advances to suppliers		
- to related parties	**21.00**	-
- to others	**5,932.30**	5,441.93
Total current assets	**9,242.00**	8,894.03

Note 6 : Inventories

Particulars	As at	
	March 31, 2021	March 31, 2020
Raw materials	**14,802.54**	14,202.16
Packing material	**22.18**	50.35
Work-in-progress	**17,795.30**	13,990.85
Finished goods	**341.05**	111.45
Total	**32,961.07**	28,354.81

Raw materials include good-in-transit Rs. 171.99 lakhs (2020 : Rs. 2,423.55 lakhs)

Write downs of inventories to net realisable value amounted to Rs. 51.04 lakhs (2020: Rs. 13.33 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of finished goods and work-in-progress ' in statement of profit and loss.

Note 7 : Trade receivables

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Unsecured, considered good		
- Related parties	**162.77**	90.24
- Others	**26,519.02**	24,845.60
Unsecured, considered doubtful	**850.00**	966.55
Less: Expected Credit losses	**(850.00)**	(966.55)
Total	**26,681.79**	24,935.84

Note 8 : Cash and Bank Balances

Note 8A: Cash and Cash Equivalents

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with Banks		
- in current accounts	748.16	903.86
- in deposit accounts	1,000.00	-
Cash on hand	3.47	4.52
Total	**1,751.63**	**908.38**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

NOTE 8B: Other Bank balances

Particulars	As at	
	March 31, 2021	March 31, 2020
Deposits with banks against bank guarantees	2,425.93	4,332.72
Earmarked balances with banks :	-	-
Unpaid dividend account	75.05	82.14
Total	**2,500.98**	4,414.86

Margin money deposit above includes Fixed Deposits under lien amounting to INR 368.23 Lakhs (2020: INR 352.51 Lakhs)

Note 9: Tax assets (net)

Particulars	As at	
	March 31, 2021	March 31, 2020
a. Non-current tax assets/ (liabilities)		
Advance income tax (net of provision for income tax of Rs. Nil (2020: Rs. 434.04 Lakhs))	-	577.43
Total	-	577.43
b. Current		
Income tax refund receivable	112.37	-
	112.37	-

Note 10: Equity share capital

Particulars	As at	
	March 31, 2021	March 31, 2020
Authorised share capital:		
150,000,000 (2020 : 150,000,000) equity shares of Rs. 2/- each	3,000.00	3,000.00
Total	**3,000.00**	**3,000.00**
Issued and subscribed capital:		
86,611,675 (2020 : 86,611,675) equity shares of Rs. 2/- each fully paid	**1,732.23**	1,732.23
Total	**1,732.23**	1,732.23

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding of equity shares	Number of shares held	% holding of equity shares
Ratnabali Investment Pvt.Ltd.,	46,34,272	**5.35%**	46,34,272	5.35%
Sundaram Mutual Fund	30,38,837	**3.51%**	47,17,671	5.45%

(b) Movement in equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	**8,66,11,675**	**1,732.23**	8,66,11,675	1,732.23
Add: Number of shares issued and subscribed during the year	**-**	**-**	-	-
At the end of the year	**8,66,11,675**	**1,732.23**	8,66,11,675	1,732.23

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

(c)Terms and rights attached to equity shares:

The company has one class of equity shares having a par value of Rs. 2 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.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

Note 11: Other equity

Particulars	As at	
	March 31, 2021	March 31, 2020
Reserves and surplus:		
General reserve	**7,482.80**	7,482.80
Securities premium reserve	**6,856.20**	6,856.20
Foreign currency translation Reserve	**6.85**	12.81
Retained earnings	**39,792.42**	37,931.04
Total	**54,138.27**	52,282.85

General Reserve	As at	
	March 31, 2021	March 31, 2020
Opening balance	**7,482.80**	7,482.80
Movement during the year	**-**	-
Closing balance	**7,482.80**	**7,482.80**

Securities premium reserve	As at	
	March 31, 2021	March 31, 2020
Opening balance	**6,856.20**	6,856.20
Add: Movement during the year	**-**	-
Closing balance	**6,856.20**	6,856.20

Retained earnings	As at	
	March 31, 2021	March 31, 2020
Opening balance	**37,931.04**	33,885.56
Add: Net profit for the year	**2,885.17**	4,404.15
Add: Remeasurement of Defined benefit obligations (net off tax)	**15.55**	(85.24)
Adjustment due to change in functional currency of Aelius	**-**	(12.39)
Dividend paid	**(1,039.34)**	(216.53)
Dividend Tax paid	**-**	(44.51)
Closing balance	**39,792.42**	37,931.04

Foreign Currency Translation Reserve	As at	
	March 31, 2021	March 31, 2020
Opening balance	**12.81**	(0.46)
Movement during the year	**(5.96)**	13.27
Closing Balance	**6.85**	12.81

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 12 : Non-Controling Intrests

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening balance	**0.16**	0.16
Additions during the year	-	-
Closing Balance	**0.16**	0.16

Nature and purpose of reserves

Securities premium reserves:

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

Debenture redemption reserve:

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

General reserve:

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

Note 13 : Provisions*

Particulars	As at	
	March 31, 2021	March 31, 2020
a) Non-current		
Provision for compensated absences	**312.28**	303.68
Provision for gratuity	**86.13**	47.65
Total non-current provisions	**398.41**	351.33
b) Current		
Provision for compensated absences	**93.14**	86.42
Provision for gratuity	**107.58**	95.38
Total current provisions	**200.72**	181.80

*Refer note 31

Note 14 : Deferred tax liabilities (Assets)

Particulars	As at	
	March 31, 2021	March 31, 2020
Deferred tax Liabilities	**706.35**	864.41
Deferred tax Assets	**(984.40)**	(998.37)
Deferred tax liabilities/(assets) (net)	**(278.05)**	(133.96)

Reconciliation of Deferred tax balance

2020-21	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
A. Deferred tax liabilities (net)					
Depreciation	**812.01**	(183.86)	-	-	628.15
On Fair value gain of Mutual funds	**51.51**	26.40	-	-	77.91
Forward Contracts	**0.89**	(0.60)	-	-	0.29
Deferred tax liabilties	**864.41**	(158.06)	-	-	706.35
Provision for gratuity	**(36.02)**	(17.98)	5.23	-	(48.77)
Provision for Leave Encashment	**(98.18)**	(3.86)	-	-	(102.04)

Unabsorbed losses	**(100.77)**	100.77			-
Deferred revenue	**(156.78)**	(54.34)	-	-	(211.12)
Provision for expected credit loss	**(243.25)**	29.33	-	-	(213.92)
Indexation benefit on land	**(363.37)**	(45.18)	-	-	(408.55)
Deferred tax assets	**(998.37)**	8.74	5.23	-	(984.40)
Deferred tax assets (net)	**(133.96)**	(149.32)	5.23	-	(278.05)

The group had not created deferred tax asset on the unused tax losses of foreign subsidiary AELIUS Semiconductors Pte. Ltd amounting to Rs. 30.93 lakhs (2020: Rs. 49.83 lakhs). The unused tax losses can be carried forward indefinitely.

2019-20	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
Depreciation	**1,453.47**	(641.46)	-	-	812.01
On Fair value gain of Mutual funds	**43.14**	8.37	-	-	51.51
Forward Contracts	-	0.89	-	-	0.89
Deferred tax liabilties	**1,496.61**	(632.20)	-	-	864.41
Provision for gratuity	**(4.25)**	(2.95)	(28.82)	-	(36.02)
Provision for Leave Encashment	**(110.03)**	11.85	-	-	(98.18)
Unabsorbed losses	**(66.57)**	(34.20)			(100.77)
Deferred revenue	**(154.63)**	(2.15)	-	-	(156.78)
Provision for expected credit loss	**(217.54)**	(25.71)	-	-	(243.25)
Indexation benefit on land	**(330.69)**	(32.68)	-	-	(363.37)
MAT Credit entitlement	**(228.28)**	228.28	-	-	-
Deferred tax assets	**(1,111.99)**	142.44	(28.82)	-	(998.37)
Deferred tax liabilities (net)	**384.62**	(489.76)	(28.82)	-	(133.96)

Note 15: Current Borrowings

Particulars	As at	
	March 31, 2021	March 31, 2020
Secured		
From banks		
Working Capital Loans		
HDFC Bank	**6,000.00**	-
Axis bank	**3,000.00**	-
Cash Credit Facility		
Canara Bank	**987.43**	981.60
HDFC Bank	**2,142.87**	3,557.29
Axis bank	**25.15**	947.34
Total	**12,155.45**	5,486.23

Refer note no. 35 for the assets pledged as security

Nature of security:

(a) Astra Microwave Products Limited

Prime Security:

Pari Passu first charge on stocks, receivables and other chargeable current assets of the company.

Collateral Security:

Pari Passu first charge on entire unencumbered Fixed Assets of the company (other than those financed by term lenders) and Pari Passu second charge on the fixed assets of the group funded by other term lenders.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Personal Guarantee:

Personal Guarantee of the former Managing Director and former Chief Operating officer who are also founders of the Company.

(b) Bhavyabhanu Electronics Private Limited

i) Working capital loan from HDFC Bank is secured by charge on Book debts, movable fixed assets, plant and machinery and fixed deposits of the company.

(ii) Corporate Guarantee of Astra Microwave Products Limited.

Terms of repayment:

i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.

ii) Cash Credit facilities are repayable on demand.

iii) Interest rates are normally reset on an yearly basis. Present rate of interest ranges between 7.95% to 9.55%.

Note 16(a): Trade Payables : Dues to Micro and Small enterprises

Particulars	As at	
	March 31, 2021	March 31, 2020
Dues to micro enterprises and small enterprises (Refer note 16(c) below)	**321.21**	82.13
Total	**321.21**	82.13

Note 16(b): Trade Payables : Dues to Other than Micro and Small enterprises

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade Payables : Others	**3,451.38**	6,030.83
Total	**3,451.38**	6,030.83

Note 16 (c): The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	321.20	82.13
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 17: Other financial liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Current maturities of long term debt	**-**	475.44
Unpaid Dividend	**75.05**	82.14
Interest accrued	**16.40**	13.73
Capital creditors	**30.57**	72.29
Employee benefits payable	**962.79**	967.42
Dues to directors	**45.28**	16.50
Liability for Expenses	**52.98**	-

Retention monies	**10.22**	17.43
Others	**10.93**	0.53
Total	**1,204.22**	1,645.48

Refer note no. 35 for the assets pledged as security

Nature of security:

Term Loans

a. Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company along with term lenders. Pari Passu second charge on all chargeable current assets of the company along with other term lenders and personal guarantee of the former Managing Director and former Chief Operating Officer who are also founders of the Company

b. Aggregate amount of loans Guaranteed by former Managing Director and former Chief Operating Officer who are also founders of the Company is Rs. Nil (2020 : Rs. 475.44 lakhs).

Terms of repayment:

i) Term loan from HDFC bank is repayable in 12 quarterly instalments starting after one year from the date of first disbursement (date of first draw down was June 5, 2017) along with an interest as mutually agreed with the bank payable on a monthly basis. Interest rates are normally reset on an yearly basis.

Note 18: Current tax liabilities (net)

Particulars	As at	
	March 31, 2021	March 31, 2020
Provision for income tax (net of advance tax and tax deducted at source of Rs. 1,005.98 Lakhs (2020: Rs. 1,751.77 lakhs)	**155.28**	249.75
Total	**155.28**	249.75

Note 19: Other current liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Statutory dues payable	**482.44**	529.47
Audit fee	**-**	0.11
Secreterial Fee	**-**	0.09
Total	**482.44**	529.67

Note 20: Contract liabilities

Particulars	As at	
	March 31, 2021	March 31, 2020
Current		
Advance from customers	**19,451.05**	20,341.72
Deferred revenue	**838.83**	622.92
Total	**20,289.88**	20,964.64

Movement of Advance from customers

Particulars	As at March 31,2021	As at March 31,2020
Opening balance	**20,341.72**	**4,743.05**
Received during the year	11,423.05	37,654.11
Advances offset on account of sales	**(12,313.72)**	**(22,055.44)**
Closing balance	19,451.05	20,341.72

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Movement of deferred revenue

Particulars	As at March 31,2021	As at March 31,2020
Opening balance	**622.92**	442.18
Interest accrued	**684.60**	500.50
Released to revenue during the year	**(468.69)**	(319.76)
Closing balance	**838.83**	622.92

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities

Particulars	As at March 31,2021	As at March 31,2021
Deferred Revenue	**468.69**	319.76
Total	**468.69**	319.76

Note 21: Revenue from Operations

Particulars	Year ended	
	March 31,2021	March 31,2021
Revenue from contracts with customers		
-Sale of Products	**62,278.42**	43,993.46
-Sale of Services	**1,646.41**	2,507.65
	63,924.83	46,501.11
Other Operating Revenue		
-Wind Electrical Power	**166.39**	217.12
-Operating Lease Rent	**-**	4.20
	166.39	221.32
Total	**64,091.22**	46,722.43

Unsatisfied long-term consulting contracts:

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended March 31,2021	Year ended March 31,2020
Aggregate amount of the transaction price allocated to long term Sale of Products	**2,15,241.26**	1,38,275.37

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 36 months.

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Reconciliation of revenue recognised with contract rice:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price	**63,456.15**	**46,181.35**
Adjustment for:		
Financing component	**468.68**	**319.76**
Revenue from Oprations	**63,924.83**	**46,501.11**

Critical Judgements in recognising revenue
The group has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the group adjusted the transaction price to reflect the finance component from such customer advances.

Note 22: Other Income

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Interest income*	**281.47**	327.30
Export incentives	**543.92**	28.56
Net gain/(loss) on disposal of property, plant and equipment	**-**	4.87
Net gain on financial assets mandatorily measured at fair value through profit or loss(Mutual Funds)	**104.90**	82.04
Net gain/(loss) on sale of current investments(Mutual Funds)	**-**	250.33
Foreign exchange fluctuations	**-**	507.21
Miscellaneous Receipts	**39.31**	14.63
Changes in expected credit loss in receivables	**116.54**	0.90
Total	**1,086.14**	1,215.84

*Interest income includes interest on income tax refund of Rs. 40.15 lakhs (2020: Nil)

Note 23: Cost of materials consumed

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Raw materials and packing materials at the beginning of the year	**14,252.51**	6,701.47
Add: Purchases	**49,193.68**	40,905.08
Less: Raw materials packing materials at the end of the year	**(14,824.72)**	(14,252.51)
Total	**48,621.47**	33,354.04

Note 24: Changes in inventories of finished goods and work-in-progress

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Opening Balance:		
Finished goods	**111.45**	229.34
Work-in-progress	**13,990.85**	7,046.25
Total(A)	**14,102.30**	7,275.59
Closing Balance:		
Finished goods	**341.05**	111.45
Work-in-progress	**17,795.30**	13,990.85
Total(B)	**18,136.35**	14,102.30
Changes in inventories of finished goods and work-in-progress (A)-(B)	**(4,034.05)**	(6,826.71)

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 25: Employee benefit expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	**6,191.16**	6,073.18
Contribution to Provident Fund	**328.03**	327.54
Contribution to Employee State Insurance	**22.13**	24.00
Gratuity	**101.98**	82.80
Leave encashment	**141.83**	194.15
Directors remuneration	**178.90**	246.56
Staff welfare expenses	**173.57**	201.65
Total	**7,137.60**	7,149.88

Note 26: Depreciation expense

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	**2,354.11**	2,575.91
Total	**2,354.11**	2,575.91

Note 27: Other expenses

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Consumption of Stores and spares	**63.69**	-
Power and fuel	**348.18**	362.02
Repairs and maintenance		
Plant and machinery	**503.08**	576.13
Buildings	**42.13**	24.91
Computers	**310.72**	215.09
Others	**435.07**	317.41
Operating lease rent	**82.72**	67.89
Rates and taxes	**79.89**	119.54
Insurance	**156.83**	73.97
Legal and professional fees	**297.89**	473.73
Travelling and conveyance	**586.53**	702.56
Printing and stationery	**46.76**	65.11
Telephone and communication charges	**58.21**	64.20
Auditors Remuneration (Refer note (a) below)	**35.20**	34.00
Business promotion expenses	**44.97**	105.27
Donations*	**0.50**	0.25
Royalty expense	**0.35**	(0.15)
Corporate social responsibility expenditure (refer note (b) below)	**106.51**	89.78
Security charges	**174.19**	158.49
Payments to non-executive directors	**40.40**	51.27
Bank charges and commission	**253.46**	630.24
Selling and distribution expenses	**81.87**	63.55

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Changes in expected credit loss in receivables	-	378.45
Foreign exchange fluctuations	711.43	74.59
Net loss on disposal of property, plant and equipment	2.18	-
Miscellaneous expenses	184.64	147.85
Total	4,647.40	4,796.15

* Donations above include Rs. 0.50 lakhs (2020 - Rs. 0.25 lakh) paid to the Communist Party of India (Marxist).

(a) Auditors Remuneration

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Statutory Audit fee (including fees for quarterly reviews)	34.00	34.00
Fees for other services	1.20	-
Total	35.20	34.00

(b) Corporate Social Responsibility expenditure

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Amount required to be spent as per Section 135 of the Act	105.15	109.93
Amount spent during the year on :		
1. Construction/ acquisition of any assets	-	-
1. On Purposes other than Construction/ acquisition of any assets	106.51	110.60

* Net of amount paid to Astra foundation 2021: Rs. Nil (2020 - Rs. 20.82 lakhs).

Note 27 (c) : Tax Expense

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Current Tax		
Current tax on profits for the year	1,150.94	1,999.52
Adjustments for current tax of prior periods	(32.16)	-
Total current tax expense	1,118.78	1,999.52
Deferred Tax		
Decrease (increase) in deferred tax assets	8.74	142.44
(Decrease) increase in deferred tax liabilities	(158.06)	(632.20)
Total Deferred tax expenses/(benifits)	(149.32)	(489.76)
Income Tax Expense	969.46	1,509.76

Note 27(d): Reconciliation of tax expenses and accounting profit multiplied by tax rate:

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Profit before income tax expense	3,854.63	5,913.91
Income tax rate	25.17%	25.17%
Income tax expense	970.13	1,488.41
Tax effect on amounts which are not taxable in calculating taxable income:		
i) Effect of tax on disallowed expenses	21.83	(15.16)
ii) Tax of Earlier years	(32.16)	-

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

iii) Effect of share of loss from Joint venture on which no deferred tax asset is created	**71.43**	32.44
iv) Indexation on Land	**(45.18)**	-
v) Effect of Deferred tax asset not created on set off or carried forward losses from Subsidiaries	**(9.50)**	2.75
vi) Effect of different rate of tax at subsidiaries	**(4.64)**	1.32
vii) Others	**(2.45)**	-
Income tax recognised in statement of profit and loss	**969.46**	1,509.76

Note 28: Finance cost

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Interest expense		
On term loans	**12.28**	94.03
On working capital loans	**888.38**	249.66
Interest on others	**29.58**	2.01
Interest on advances received from customers	**684.60**	500.50
Other Finance Charges	**697.56**	-
Total	**2,312.40**	846.20

Net Debt Reconciliation

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Amount	Amount
Cash and cash equivalents	**1,751.63**	908.38
Liquid investments	**1,409.60**	1,304.70
Current borrowings	**(12,155.45)**	(5,486.23)
Current maturities of long term debt	**-**	(475.44)
Interest accrued	**(16.40)**	(13.73)
Net Debt	**(9,010.62)**	(3,762.32)

Particulars	Assets		Liabilities from financing activities			Total
	Cash and Cash equivalents	Liquid Investments	Current borrowings	Non-current borrowings including Current maturities	Interest Accrued	
Net Debt as on 01 April 2019	**981.19**	**2,023.46**	**(253.76)**	**(1436.55)**	**(11.67)**	**1,302.67**
Cash flows	(72.81)	(800.80)	(5232.47)	961.11	-	(5,144.97)
Interest Expense on borrowings	-	-	-	-	(343.69)	(343.69)
Interest paid on borrowings	-	-	-	-	341.63	341.63
Fair value adjustments	-	82.04	-	-	-	82.04
Net Debt as on 31 March 2020	**908.38**	**1,304.70**	**(5486.23)**	**(475.44)**	**(13.73)**	**(3,762.32)**
Cash flows	843.25	-	(6669.22)	475.44	-	(5,350.53)

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Interest Expense on borrowings	-	-	-	-	(900.66)	(900.66)
Interest paid on borrowings	-	-	-	-	897.99	897.99
Fair value adjustments	-	104.90	-	-	-	104.90
Net Debt as on 31 March 2021	**1,751.63**	**1,409.60**	**(12,155.45)**	**-**	**(16.40)**	**(9,010.62)**

Note 29. Earnings per share

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Profit after tax attributable to owners of the Company	**2,885.17**	4,404.17
Basic:		
Weighted average number of equity shares	**8,66,11,675**	8,66,11,675
Earnings per share (Rs.)	**3.33**	5.08
Diluted:		
Earnings per share (Rs.)	**3.33**	5.08

Note: EPS is calculated based on profits excluding the other comprehensive income

Note 30: Related party disclosures

A. List of Related Parties:

Name of the Related Party	Nature of Relationship
Astra Rafael Comsys Private Limited	Joint Venture Company
Mr. S. Krishna Reddy	Relative of a KMP
Janyu Technologies Private Limited	Associate
Key managerial persons (KMP):	
Mr. S. Gurunatha Reddy,	Managing Director w.e.f. April 01, 2019
Mr. M. Venkateshwar Reddy,	Joint Managing Director w.e.f. April 01, 2019
Mr. T. Anjaneyulu	Company Secretary
Mr. BVS Narasingaa Rao	Chief Financial Officer w.e.f June 24, 2019

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

Name of the related parties	Nature of transactions	As at March 31, 2021	As at March 31, 2020
Janyu Technologies Private Limited	Investment in equity shares*	**-**	-
	Investment in CCPS	**200.00**	-
	Investment in Share Warrants	**0.10**	-
	Advance paid	**21.00**	-
Astra Rafael Comsys Private Limited	Amount receivable against sales of goods	**162.77**	90.24
	Value of Corporate guarantee	**400.00**	400.00
	Advance received	**1,499.98**	1,658.84
	Investment in shares	**2,000.00**	1,625.00

* Below the rounding off norm adopted by the company

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

C. Details of transactions during the year:

Name of the related parties	Nature of balance	Year ended	
		March 31, 2021	March 31, 2020
Astra Rafael Comsys Private Limited	Investment in Shares	**375.00**	-
	Sales	**106.69**	225.29
	Rent Received	**-**	4.20
Janyu Technologies Private Limited	Investment in equity shares*	**-**	-
	Investment in CCPS	**200.00**	-
	Advance Paid	**21.00**	-
	Investment in Share Warrants	**0.10**	-
Mr. S. Gurunatha Reddy	Director's remuneration	**89.45**	127.71
Mr. M. Venkateshwar Reddy	Director's remuneration	**89.45**	123.24
Mr. S. Krishna Reddy	Remuneration to relative of a director	**20.13**	19.00
Mr. T. Anjaneyulu	Company secretary's remuneration	**16.76**	15.71
Mr. BVS Narasingaa Rao	CFO's remuneration	**19.33**	18.67

* Below the rounding off norm adopted by the company

Note 31: Employee benefit Obligations

a) Leave obligations

The leave obligation covers the group's liability for sick and earned leave. Refer Note-13, for details of provision made in this regard and Note 25 for details of expense during the year.

b) Defined Contribution Plan

The group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined such plan for the financial year 2020-21 is Rs. 328.03 lakhs and for the financial year 2019-20 is Rs. 327.54 lakhs.

c) Defined Benefit Plans:

Gratuity

The group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Defined benefit plans – as per actuarial valuation on March 31, 2021

i. Expense recognised in the Statement of Profit and Loss for the year ended March 31, :

Particulars	Gratuity	
	March 31, 2021	March 31, 2020
1. Current service cost	**93.28**	86.88
2. Interest cost (net)	**8.69**	(4.08)
Total expense/(gain) recognised in P&L	**101.97**	82.80

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

ii. Included in other Comprehensive Income

Particulars	March 31, 2021	March 31, 2020
1. Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	**(7.57)**	51.60
- Experience Adjustments	**(13.20)**	62.45
Total expense/(gain) recognised in OCI	**(20.77)**	114.05

iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March

Particulars	March 31, 2021	March 31, 2020
1. Present value of defined benefit obligation as at 31st March	**930.43**	831.56
2. Fair value of plan assets as at 31st March	**736.72**	688.53
3. (Surplus)/Deficit	**193.71**	143.03
4. Current portion of the above included in provisions	**107.58**	95.38
5. Non current portion of the above included in provisions	**86.13**	47.65

iv. Changes in Obligation and fair value of plan assets during the year

Particulars	March 31, 2021	March 31, 2020
A. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**831.56**	689.44
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**93.28**	86.88
- Past Service Cost	**-**	-
- Interest Expense (Income)	**55.06**	48.39
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:	**-**	-
i. Demographic Assumptions	**-**	-
ii. Financial Assumptions	**(7.57)**	51.60
iii. Experience Adjustments	**3.94**	60.57
4. Benefit payments	**(45.84)**	(105.32)
5. Present value of defined benefit obligation at the end of the year	**930.43**	831.56
B.Change in Fairvalue of Assts during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**688.53**	740.72
- Interest Income	**46.37**	52.47
2. Recognised in Other Comprehensive Income - Experience adjustments		
- Actual Return on plan assets in excess of the expected return	**17.14**	(1.88)
3. Contributions by employer (including benefit payments recoverable)	**30.51**	2.55
4. Employer direct benefit payments	**(0.51)**	(2.31)
5. Benefit payments	**(45.32)**	(103.02)
6. Fair value of plan assets at the end of the year	**736.72**	688.53

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The key assumptions used in accounting for gratuity are as below

v. Actuarial assumptions	March 31, 2021	March 31, 2020
1. Interest rate/Discount rate	**6.91%**	6.81%
2. Rate of increase in compensation	**6.00%**	6.00%
3. Attrition rate	**6.70%**	6.70%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation to the amounts shown below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (If changed by 1%)		
Increase	**860.65**	767.26
Decrease	**1,011.20**	906.24
Salary escalation rate (If changed by 1%)		
Increase	**1,015.39**	909.84
Decrease	**855.76**	763.07

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected cashflow and duration of the plan

Particulars	Gratuity plan	
	As at	
	March 31, 2021	March 31, 2020
Weighted average duration of DBO	**13.11**	13.48
1. Expected employer contributions in the next year	**171.41**	-
2. Expected benefit payments		
Year 1	**107.58**	95.38
Year 2 - 5	**309.91**	277.46
Beyond 5 years	**396.55**	325.58

Vii. Weighted Average Asset Allocations at end of current period

Particulars	As at	
	March 31, 2021	March 31, 2020
Fund held with Life Insurance Corporation of India	**100%**	100%
Total	**100%**	100%

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Viii. Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 32:

Segment information

The Group operates in a single product segment. Additional disclosures required as per Ind AS 108, Operating Segments" are included below:

a. Geographical Segment revenue by location of customers

The following is an analysis of the Group's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2021	Year ended March 31, 2020
In India	**35,167.36**	30,853.05
Outside India	**28,923.86**	15,869.38
Total	**64,091.22**	46,722.43

b. Geographical Segment assets

Particulars	As at	
	March 31, 2021	March 31, 2020
Segment assets		
India		
- Financial instruments	**2,745.29**	2,458.88
- Others	**15,559.23**	18,085.74
Outside India		
- Financial instruments	**-**	-
- Others	**0.11**	0.24
Consolidated total assets	**18,304.63**	20,544.86

Major Customers contributing more than 10 percent of revenue

Particulars	As at	
	March 31, 2021	March 31, 2020
Elta Systems Limited	**28,196.68**	11,050.56
Gallium Arsenide Enabling TechCe	**-**	10,974.20
Space Applications Centre	**-**	5,142.60
DCX Cable Assemblies Pvt., Ltd.,	**6,203.12**	-

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 33: Commitments and contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
A. Contingent Liabilities in respect of:		
a. Corporate guarantee on behalf of Astra Rafael Comsys Pvt. Ltd, Joint Venture company	**400.00**	400.00
b. Disputed excise duty matters *	**248.19**	248.19
Total Contingent liabilities	**648.19**	648.19
B. Estimated amount of capital contracts remaining to be executed and not provided for	**27.41**	121.61
Total Capital commitments	**27.41**	121.61

* The group has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

Note 34: Events Occurring after the reporting period :

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.

Note 35: Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Financial assets		
Trade receivables	**26,604.71**	24,907.15
Other bank balances	**2,425.93**	4,332.72
Other financial assets	**1,287.54**	45.66
Non-financial assets		
Inventories	**32,893.81**	28,243.60
Total current assets pledged as security (A)	**63,211.99**	57,529.13
Non-current		
Property, plant and equipment	**15,271.79**	11,592.99
Capital work-in-progress	**-**	1,205.65
Other financial assets	**1,055.71**	1,059.80
Total non-current assets pledged as security (B)	**16,327.50**	13,858.44
Total assets pledged as security ((A + (B))	**79,539.49**	71,387.57

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 36: Research and development

Particulars	As at March 31, 2021	As at March 31, 2020
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
Revenue expenditure	**2,249.69**	2,224.60
	2,249.69	2,224.60

Note 37: Financial Instruments

Fair value

The management assessed that trade receivables, cash and cash equivalents, other bank balances, 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. The group has determined fair value of Non current financial assets and liabilities using discounted cash flow of future projected of cash flow.

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-current						
(a) Other financial assets	3	1,135.39	-	-	1,135.39	1,135.39
Current						
(a) Trade receivables	3	26,681.79	-	-	26,681.79	26,681.79
(b) Cash and cash equivalents	3	1,751.63	-	-	1,751.63	1,751.63
(c) Bank balances other than (b) above	3	2,500.98	-	-	2,500.98	2,500.98
(d) Investments	1	-	-	1,409.60	1,409.60	1,409.60
(e) Other Financial Assets						
Derivative asset	2	-	-	1.48	1.48	1.48
Other	3	1,286.05	-	-	1,286.05	1,286.05
Total		**33,355.84**	**-**	**1,411.08**	**34,766.92**	**34,766.92**
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	3	12,155.45	-	-	12,155.45	12,155.45
(b) Trade payables	3	3,772.59	-	-	3,772.59	3,772.59
(c) Other financial liabilities	3	1,204.22	-	-	1,204.22	1,204.22
Total		**17,132.26**	**-**	**-**	**17,132.26**	**17,132.26**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-Current						
(a) Other financial assets	3	1,140.28	-	-	1,140.28	1,140.28
Current						
(a) Trade receivables	3	24,935.84	-	-	24,935.84	24,935.84
(b) Cash and cash equivalents	3	908.38	-	-	908.38	908.38
(c) Bank balances other than (b) above	3	4,414.86	-	-	4,414.86	4,414.86
(d) Investments in Mutual Funds	1	-	-	1,304.70	1,304.70	1,304.70
(e) Other financial assets	2	-	-	45.66	45.66	45.66
(f) Investment in Associate	3	-	-	200.46	200.46	200.46
Total		31,399.36	-	1,550.82	32,950.18	32,950.18
Liabilities:						
Current						
(a) Borrowings	3	5,486.23	-	-	5,486.23	5,486.23
(b) Trade payables	3	6,112.96	-	-	6,112.96	6,112.96
(c) Other financial liabilities	3	1,645.48	-	-	1,645.48	1,645.48
Total		**13,244.67**	**-**	**-**	**13,244.67**	**13,244.67**

Fair value hierarchy

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

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note 38: Financial risk management

Risk management framework

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

Credit risk

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

The group primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the group has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group'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.

The group'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.
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 group also holds deposits as security from certain customers to mitigate credit risk.

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

a. Trade and other receivables

The group'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 the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. The group has a process in place to monitor outstanding receivables on a monthly basis.

The group's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised

Particulars	Carrying amount As at	
	March 31, 2021	March 31, 2020
Trade receivables (Gross)	**27,531.79**	25,902.39
Less: Expected credit loss	**(850.00)**	(966.55)
Trade receivables as per the financial statements	**26,681.79**	24,935.84

The group's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
Cash and cash equivalents	**1,751.63**	908.38
Other bank balances	**2,500.98**	4,414.86
Investment in Associate	**200.46**	-
Investment in Mutual funds	**1,409.60**	1,304.70
Other financial assets	**2,422.92**	1,185.94
Less: Expected credit loss	**-**	-
Trade receivables as per the financial statements	**8,285.59**	7,813.88

Movement in Expected Credit loss

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening balance	**966.55**	589.00
Movement in Expected Credit loss	**(116.55)**	377.55
Net re-measurement of ECL	**850.00**	966.55

Significant estimates and judgements

Provision for expected credit loss on Trade receivables

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reprting period. The group 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.

Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables	**26,681.79**	24,935.84
Cash and cash equivalents	**1,751.63**	908.38
Other bank balances	**2,500.98**	4,414.86
Other financial assets	**2,421.44**	1,140.28
	33,355.84	31,399.36

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The group's Management is responsible for liquidity, funding as well as settlement management.

The group monitors the level of expected cash inflows on fianancial assets together with expected cash outflows on trade payables and other financial liabilities. As at 31 March 2021, the expected cash flows from financial assets excluding restricted balances is Rs. 28,092.87 lakhs (As at March 31, 2020 - Rs. 26,286.20 lakhs).

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(i) Financing arrangements

The group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2021	March 31, 2020
Expiring within one year (bank overdraft and other facilities)	**6,644.56**	4,790.24

(ii) Maturities of financial liabilities

As at March 31, 2021

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	12,155.45	-	-	12,155.44
Trade payables	3,772.59	-	-	3,772.58
Other financial liabilities (excluding trade payables)	1,204.22	-	-	1,204.22
	17,132.26	-	-	17,132.24

As at March 31, 2020

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	5,486.23	-	-	5,486.23
Trade payables	6,112.96	-	-	6,112.96
Other financial liabilities (excluding trade payables)	1,645.48	-	-	1,645.48
	13,244.67	-	-	13,244.67

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. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and 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. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

Foreign currency 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 group'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 currency of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The group has not entered into derivative instruments during the year.

The Group foreign currency payables and receivables are as follows:

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Exposure to currency risk

The summary quantitative data about the group's gross exposure to currency risk is as follows:

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	100.42	7,341.71	104.22	7,885.67
	EURO	0.31	26.58	-	-
Amounts Payable	USD	23.31	1,703.99	28.70	2,171.81
	EURO	1.71	146.57	1.32	109.15

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the USD, and EURO against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
31-03-2021 (5% change)				
USD	452.28	(452.28)	336.42	(336.42)
EURO	8.66	(8.66)	6.44	(6.44)
31-03-2020 (5% change)				
USD	502.87	(502.87)	376.31	(376.31)
EURO	5.46	(5.46)	4.08	(4.08)

Price Risk

The group 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 profit before tax	
	31 March 2021	31 March 2020
Increase by 1%	**14.10**	13.05
Decrease by 1%	**(14.10)**	(13.05)

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. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2021	31 March 2020
Change in interest rate		
-increase by 50 basis points	4.50	1.72

-decrease by 50 basis points	(4.50)	(1.72)

Note 39: Capital Management

The group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2021, the group has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

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

Capital gearing ratio

Particulars	As at	
	March 31, 2021	March 31, 2020
Borrowings		
Current - Short term borrowings	**12,155.45**	5,486.23
Current maturities of long term borrowings	**-**	475.44
Debt	**12,155.45**	5,961.67
Equity		
Equity share capital	**1,732.23**	1,732.23
Other equity	**54,138.27**	52,282.85
Total capital	**55,870.50**	54,015.08
Net debt to equity ratio	**22%**	11%

Note 40: Dividends

Particulars	Amount
a) Proposed dividend Rs. 1.20/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	1,039.34
b) Final dividend declared for the year ended March 31, 2020 and paid during the year ended March 31, 2021 - Rs. 1.20/- per fully paid-up share	1,039.34
c) Final dividend declared for the year ended March 31, 2019 and paid during the year ended March 31, 2020 - Re. 0.25/- per fully paid-up share	216.53

41. Short term Lease

a) Nature of lease	The group has entered into a lease as lessee for its office premises
b) Short term lease exemption	The lease is cancellable at option of both the parties by giving 3 months notice in advance. Accordingly, the group has identified the lease as a short term lease and opted the short term lease exemption.
c) Short term lease expense	Expenses recognised on account of short term leases is Rs. 82.72 lakhs (refer note 27)
d) Cash ouflow	The lease rent paid is Rs. 82.72 lakhs

42. Impact of Covid-19 pandemic on the business:

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The group is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication; manufacture, supply, installations and service of electronic machinery, components, spares and other electronic parts; defence communication and specific Electronic Warfare; designing, developing, manufacturing and dealing in space crafts, launching vehicles, robots for the sectors of aviation and aerospace, deep space, defence and internal security.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Except for the delay due to the lockdown announced by the government, the Company has managed uninterrupted services to its Customers till date and will continue the same for the next 3 to 6 weeks based on Raw Material stocks available at the plant. The Company is able to continue their operations following all precautions and compliance to COVID19 instructions.

Further, the company has carried out an assessment of the following based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions:

a) Going concern - based on the available cash flows and approved annual operating plan;

b) the recoverability of receivables – considering past experience and communication with the customers;

c) investments in Joint venture, inventories and carrying value of property, plant and equipment - expects to recover the carrying amount of these assets as at the balance sheet date.

Based on the assessment management has concluded that there are no material adjustments required in the financial statements.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The group will continue to monitor any material changes to future economic conditions.

Note 43: Additional Information required by Schedule III

Name of the entity in the Group	Net Assets		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Astra Microwave Products Limited								
Balance as at March 31, 2021	93.97%	52,502.78	82.95%	2,393.20	147.81%	14.17	83.16%	2,407.37
Balance as at March 31, 2020	96.82%	52,295.15	110.87%	4,883.03	117.42%	(84.50)	110.76%	4,798.53
Subsidiaries incorporated in India								
Bhavyabhanu Electronics Private Limited								
Balance as at March 31, 2021	2.50%	1,394.72	24.02%	693.03	14.37%	1.38	23.99%	694.41
Balance as at March 31, 2020	0.21%	114.97	-4.73%	(208.21)	1.03%	(0.73)	-4.82%	(208.94)
Astra foundation								
Balance as at March 31, 2021	0.00%	2.16	-0.02%	(0.60)	0.00%	-	-0.02%	(0.60)
Balance as at March 31, 2020	0.01%	2.79	0.02%	1.09	0.00%	-	0.03%	1.09
Subsidiaries incorporated outside India								
AELIUS semi-conducted Pte. ltd. Singapore								
Balance as at March 31, 2021	0.60%	334.59	1.97%	56.82	-62.18%	(5.96)	1.76%	50.86

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Balance as at March 31, 2020	0.53%	283.73	-0.37%	(16.16)	-18.45%	13.27	-0.07%	(2.89)
Investment as per equity method								
Joint venture incorporated in India								
Astra Rafael Comsys Private Limited								
Balance as at March 31, 2021	2.52%	1,409.44	-9.85%	(284.16)	0.00%	-	-9.82%	(284.16)
Balance as at March 31, 2020	2.44%	1,318.60	-2.93%	(128.89)	0.00%	-	-2.98%	(128.89)
Investment Carried at FVTPL:								
Associate incorporated in India								
Janyu Technologies Private Limited								
Balance as at March 31, 2021	0.36%	200.46	0.01%	0.36	0.00%	-	0.01%	0.36
Balance as at March 31, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2021	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2020	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustments								
Balance as at March 31, 2021	0.05%	26.51	0.92%	26.51	0.00%	-	0.92%	26.51
Balance as at March 31, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total								
Balance as at March 31, 2021		55,870.50		2,885.17		9.59		2,894.76
Balance as at March 31, 2020		54,015.08		4,404.17		(71.97)		4,332.20

Note 44: Interest in other entities

The consolidated financial statements of the Group includes subsidiaries, joint venture and associate listed in the table below with the nature of Interest and country of incorporation of the entity

Name	Nature of interest	Country of incorporation	% effective equity interest by group		% effective equity interest by NCI	
			31 March 2021	31 March 2020	31 March 2021	31 March 2020
Bhavyabhanu Electronics Private Limited*	Subsidiary	India	100.00%	100.00%	0.00%	0.00%
AELIUS Semiconductors Pte. Ltd. Singapore	Subsidiary	Singapore	100%	100%	-	-
Astra foundation	Subsidiary	India	99.90%	99.90%	0.10%	0.10%
Astra Rafael Comsys Private Limited	Joint venture	India	50%	50%	NA	NA
Janyu Technologies Private Limited	Associate	India	9.09%	0%	NA	NA

*Non controlling interest is below the rounding off norm adopted by the company

Interest in Joint venture

The Company has invested 50 % in Astra Rafael Comfys Private Limited (Astra Rafael), a Joint venture with Rafael to focus on defence communication and specific Electronic Warfare segment and a business plan in terms of potential business opportunities. The Group's interest in Astra Rafael is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Commitments and contingent liabilities in respect of Joint Ventures

Particulars	As at	
	31 March 2021	31 March 2020
Estimated amount of capital contracts remaining to be executed and not provided for	-	593.34

Summarised financial information of Astra Rafael Comsys Private Limited (Joint venture)

Particulars	As at	
	31 March 2021	31 March 2020
Current assets		
Inventories	**5,107.26**	1,631.75
Financial assets		
i. Investments	**250.55**	209.32
ii. Cash and cash equivalents	**340.72**	156.20
iii. Other bank balances	**590.87**	562.20
iv. Trade Receivables	**64.20**	
Current tax assets (net)	**6.31**	3.97
Other current assets	**2,264.77**	1,921.99
Total Current Assets	**8,624.68**	**4,485.43**
Non-current assets		
Property, plant and equipment	**1,649.18**	1,847.88
Capital Work-in-progress	**268.92**	268.92
Intangible assets	**16.97**	41.35
Financial assets		
i. Other financial assets	**4.84**	6.35
Deferred tax assets (Net)	**332.79**	344.38
Total Non Current Assets	**2,272.70**	2,508.88
Current liabilities		
Financial liabilities		
i. Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	**103.63**	113.97
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**793.42**	387.58
ii. Other financial liabilities	**43.55**	335.10
Other current liabilities	**6,844.87**	3,227.44
Total current liabilities	**7,785.47**	**4,064.09**

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Non Current Liabilities	**-**	**-**
Total Non current liabilities	**-**	**-**
Net Assets	**3,111.91**	**2,930.22**

Reconciliation of group's share of Net assets in Joint venture with the carrying value

Particulars	As at	
	31 March 2021	31 March 2020
Group's Share of Net assets in the Joint venture in Rs.	**1,555.95**	1,465.11
Less: Unrealised gain on sale of Property, plant and equipment	**(146.51)**	(146.51)
Total	**1,409.44**	1,318.60
Carrying value of investment under equity method	**1,409.44**	1,318.60

Summarised statement of Profit and Loss of Astra Rafael Comsys Private Limited

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue		
Revenue from operations	**335.74**	215.24
Other income	**58.23**	78.82
Total Revenue	**393.97**	294.06
Expense		
Employees benefits expense	**534.11**	480.63
Depreciation and amortisation expenses	**256.55**	170.56
Other expenses	**160.04**	217.50
Tax expense		
- Current tax	**-**	-
- Deferred tax	**11.59**	(316.65)
Total Expense	**962.29**	552.04
Loss from continuing operations	**(568.32)**	(257.98)
Profit from discountinued operations	**-**	-
Loss for the year	**(568.32)**	(257.98)
Other compehensive income	**-**	-
Total comprehensive income	**(568.32)**	(257.98)

Interest in Associate

The company has invested 9.09% during the year in Janyu Technologies Private limited, a company domiciled in India engaged in the business of designing, developing, manufacturing and dealing in space crafts, launching vehicles, robots for the sectors of aviation and aerospace, deep space, defence and internal security etc. Summarised financial information of the associate is set out below.

Summarised financial information of Janyu Technologies Private Limited (Unaudited)

Particulars	As at	
	31 March 2021	31 March 2020
	Amount	Amount
Current assets		
Inventories	**161.37**	55.66
Financial assets		
i. Trade receivable	**206.13**	192.17

Notes to consolidated financial statements for the year ended March 31, 2021
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

ii. Cash and Bank Balances	**0.47**	0.98
iii. Other bank balances	**176.00**	-
Other current assets	**93.79**	8.02
Total Current Assets	**637.76**	**256.83**

Non-current assets		
Property, plant and equipment	**213.70**	180.12
Financial assets		
i. Loans and advances	**11.45**	5.45
Deferred tax assets (Net)	-	1.04
Total Non Current Assets	**225.15**	**186.61**
Current liabilities		
Financial liabilities		
i. Current borrowings	310.24	94.06
ii. Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	152.05	151.53
Provisions	0.60	0.60
Other current liabilities	78.73	76.60
Total current liabilities	**541.62**	**322.79**
Non Current Liabilities		
Financial liabilities		
i. Non current borrowings	10.10	13.43
Other Non current liabilities	7.50	7.50
Total liabilities	**17.60**	**20.93**
Net Assets	**303.69**	**99.72**

Reconciliation of group's share of Net assets in Associate with the carrying value

Particulars	Amount	Amount
	31 March 2021	31 March 2020
Group's Share of Net assets in the associate in Rs.	**27.61**	-
Add: Consideration paid in excess of book value of net assets	**172.85**	-
Total	**200.46**	-
Carrying value of investment under equity method	**-**	-

Summarized statement of Profit and Loss of Janyu Technologies Private Limited [unaudited]

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Revenue		
Revenue from operations	**430.37**	273.10
Other income	**4.64**	-
Total Revenue	**435.01**	273.10
Expense		
Cost of materials consumed	**190.53**	110.14
Employees benefits expense	**92.13**	84.73
Depreciation and amortisation expenses	**24.96**	24.96
Other expenses	**123.41**	50.14
Tax expense		

Notes to consolidated financial statements for the year ended March 31, 2021

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

- Current tax	-	-
- Deferred tax	-	(1.78)
Total Expense	**431.03**	268.19
Profit for the year	**3.98**	4.91
Other comprehensive income	-	-
Total comprehensive income	**3.98**	**4.91**

45. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : May 26, 2021

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

INDEPENDENT AUDITOR'S REPORT

To the Members of Astra Microwave Products Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Astra Microwave Products Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint venture (refer Note 43 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2020, of consolidated total comprehensive income (comprising of net profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

4. We draw your attention to Note 42 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of the Expected credit loss ("ECL") provision in respect of trade receivables carried at amortized cost. (Refer Note 7 and Note 38 to the Consolidated financial statements) The Group has trade receivables aggregating to Rs. 25,902.39 lakhs as at March 31, 2020, in respect of which the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments and recognises expected lifetime losses from initial recognition of the receivables. The provision for ECL as at March 31, 2020 is Rs. 966.55 lakhs.	Our procedures, in relation to testing of ECL provision recognised, included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables carried at amortised cost • Reading of the underlying contracts and invoices, as applicable to understand the nature of trade receivables, and the dates on which the payments fall due.

This is determined as a key audit matter as determination of the ECL provision involved application of judgement by management in respect of matters such as maximum contractual period of credit risk and probability of credit loss given the large number of aged receivables from government customers.	• Assessing the appropriateness of the credit loss provisioning methodology used by the management, which involves the use of historical trends such as cash collection, performance of the current year against historical trends and the level of credit loss over time. Based on the above procedures performed, we did not find any significant exceptions to the ECL provision recognised in respect of trade receivables carried at amortized cost.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our and other auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

9. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - 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 ability of the Group and its associates and jointly controlled entities 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs 2.99 lakhs and net assets of Rs. 2.79 lakhs as at March 31, 2020, total revenue of Rs. 20.81 lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 1.09 lakhs and net cash flows amounting to Rs. 2 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements

also include the Group's share of loss of Rs. 128.89 lakhs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of 1 joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

16. The financial statements of 1 subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 322.04 lakhs and net assets of Rs. 283.72 lakhs as at March 31, 2020, total revenue of Rs. 240.39 lakhs, total comprehensive loss (comprising of profit/ loss and other comprehensive income) of Rs. 16.16 lakhs and net cash flows amounting to Rs. 98.36 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies, joint venture incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, and joint venture– Refer Note 33 to the consolidated financial statements.

ii. The Group, its joint venture had long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. However it did not have any long-term derivative contracts as at March 31, 2020.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and its joint venture incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

18. The Group and joint venture has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number 55000
UDIN: 20055000AAAADH3777

Place : Hyderabad
Date : June 24, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 17 (f) of the Independent Auditors' Report of even date to the members of Astra Microwave Products Limited on the consolidated financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Astra Microwave Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, and joint venture company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 1 joint venture company incorporated in India namely Astra Rafael Comsys Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 1 subsidiary company which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: June 24, 2020

Consolidated Balance Sheet as at March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	**16,071.44**	17,817.42
Capital work-in-progress	2	**1,205.65**	243.39
Investment in Subsidiaries	3 (a)	**-**	-
Investment in Joint Venture	3 (a)	**1,318.60**	1,447.49
Financial assets			
i. Other financial assets	4(a)	**1,140.28**	1,217.50
Deferred tax assets	14	**133.96**	87.10
Non current tax assets	9(a)	**577.43**	538.20
Other non-current assets	5(a)	**231.46**	196.72
Total non-current assets		**20,678.82**	21,547.82
Current assets			
Inventories	6	**28,354.81**	13,977.06
Financial assets			
i. Investments	3 (b)	**1,304.70**	2,023.46
ii. Trade receivables	7	**24,935.84**	19,214.06
iii. Cash and cash equivalents	8A	**908.38**	981.19
iv. Other bank balances	8B	**4,414.86**	1,809.31
v. Other financial assets	4(b)	**45.66**	-
Other current assets	5(b)	**8,894.03**	2,057.37
Total current assets		**68,858.28**	40,062.45
Total assets		**89,537.10**	61,610.27
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**1,732.23**	1,732.23
Other equity	11A	**52,282.85**	48,224.10
Equity Attributable to owners of the Company		**54,015.08**	49,956.33
Non Controlling Interest	11B	**0.16**	0.16
Total equity		**54,015.24**	49,956.49
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	12	**-**	475.44
Provisions	13(a)	**351.33**	23.81
Deferred tax liabilities (net)	14	**-**	471.72
Total non-current liabilities		**351.33**	970.97
Current liabilities			
Financial liabilities			
i. Borrowings	15	**5,486.23**	253.76
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	16(a)	**82.13**	57.65
(b) total outstanding dues other than micro and small enterprises	16(b)	**6,030.83**	2,401.46
iii. Other financial liabilities	17	**1,645.48**	2,004.39
Provisions	13(b)	**181.80**	324.21
Current tax liabilities (net)	18	**249.75**	-
Other current liabilities	19	**529.67**	456.11
Contract liabilities	20	**20,964.64**	5,185.23
Total current liabilities		**35,170.53**	10,682.81
Total liabilities		**35,521.86**	11,653.78
Total equity and liabilities		**89,537.10**	61,610.27
Summary of Significant Accounting Policies	1		

The above balance sheet should be read in conjunction with the accompanying notes
This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

For and on behalf of the Board of Directors

Sunit Kumar Basu
Partner
Membership Number: 55000

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

Place : Hyderabad
Date : June 24, 2020

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated Statement of profit and loss for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income :			
Revenue from Operations	21	**46,722.43**	29,349.32
Other Income	22	**1,215.84**	2,452.20
Total Income		**47,938.27**	31,801.52
Expenses :			
Cost of materials consumed	23	**33,354.04**	18,008.42
Changes in inventories of finished goods and work-in-progress	24	**(6,826.71)**	(1,786.14)
Employees benefits expense	25	**7,149.88**	6,502.55
Finance costs	28	**846.20**	926.31
Depreciation	26	**2,575.91**	2,890.13
Other expense	27	**4,796.15**	3,746.94
Total Expenses		**41,895.47**	30,288.21
Profit/(Loss)before tax and Share of profit from JV		**6,042.80**	1,513.31
Share of Profit/(loss) from JV		**(128.89)**	(177.51)
Profit/(Loss)before tax		**5,913.91**	1,335.80
Income tax expense			
- Current tax		**1,999.52**	452.82
- Deferred tax		**(489.76)**	(93.22)
Net profit/(loss) for the year		**4,404.15**	976.20
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		**(114.06)**	311.82
b) Income tax relating to remeasurements of post employment benefit obligations		**28.82**	(108.82)
Items that will be reclassified to profit or loss			
a) Exchange differences on translation of foreign operations		**13.27**	0.41
Total other comprehensive income/(loss) for the year, net of tax		**(71.97)**	203.41
Other Comprehensive Income/(loss) attributible to owners of the company		**(71.97)**	203.41
Other Comprehensive Income/(loss) attributible to Non Controlling Interests*		**-**	-
Total comprehensive income/(loss) for the year		**4,332.18**	1,179.61
Net profit/(loss) attributible to			
- Owners of the company		**4,404.15**	976.20
- Non Controlling Interests*		**-**	-
Total Comprehensive Income/(loss) attributible to			
- Owners of the company		**4,332.18**	1,179.61
- Non Controlling Interests*		**-**	-
Earnings per equity share			
Basic earnings per share (in Rs)	29	**5.08**	1.13
Diluted earnings per share (in Rs)		**5.08**	1.13
Summary of Significant Accounting Policies	1		

*amounts are below the rounding off norm adopted by the company

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : June 24, 2020

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated statement of changes in equity for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

A. Equity Share Capital

Particulars	Notes	Amount
As at April 1, 2018		**1,732.23**
Changes in equity share capital during the year	10	-
As at March 31, 2019		**1,732.23**
Changes in equity share capital during the year	10	-
As at March 31, 2020		**1,732.23**

B. Other Equity

Particulars	Notes	Attributable to owners of the equity						Non Controlling Interests	Total
		Debenture redemption reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Foreign currency translation reserve	Total Other equity		
Balance as at April 01, 2018		**1,250.00**	**6,856.20**	**6,232.80**	**34,033.22**	**(0.87)**	**48,371.35**	**0.16**	**48,371.51**
Profit for the year		-	-	-	976.20	-	976.20	-	976.20
Remeasurements of post employment benefits (net of tax)		-	-	-	203.00	-	203.00	-	203.00
Impact of application of Ind AS 115		-	-	-	(73.88)	-	(73.88)	-	(73.88)
Transfer to general reserve		(1,250.00)	-	-	-	-	(1,250.00)	-	(1,250.00)
Transfer to debenture redemption reserve		-	-	1,250.00	-	-	1,250.00	-	1,250.00
Transfer to Foreign currency translation reserve		-	-	-	-	0.41	0.41	-	0.41
Dividend paid		-	-	-	(1,039.34)	-	(1,039.34)	-	(1,039.34)
Dividend distribution tax paid		-	-	-	(213.64)	-	(213.64)	-	(213.64)
Balance as at March 31, 2019	11A & 11B	**-**	**6,856.20**	**7,482.80**	**33,885.56**	**(0.46)**	**48,224.10**	**0.16**	**48,224.26**
Profit for the year		-	-	-	4,404.15	-	4,404.15	-	4,404.15
Remeasurements of post employment benefits (net of tax)		-	-	-	(85.24)	-	(85.24)	-	(85.24)
Adjustment due to change in functional currency of Aelius		-	-	-	(12.39)	-	(12.39)		(12.39)
Transfer to Foreign currency translation reserve		-	-	-	-	13.27	13.27	-	13.27
Dividend paid		-	-	-	(216.53)	-	(216.53)	-	(216.53)
Dividend distribution tax paid		-	-	-	(44.51)	-	(44.51)	-	(44.51)
Balance as at March 31, 2020		**-**	**6,856.20**	**7,482.80**	**37,931.04**	**12.81**	**52,282.85**	**0.16**	**52,283.01**

The above Statement of changes in equity should be read in conjunction with the accompanying notes
This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : June 24, 2020

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

Consolidated Cash Flow statement for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from Operating Activities		
Profit before tax	**5,913.91**	1,335.80
Adjustments for:		
Depreciation expense	**2,575.91**	2,890.13
Finance cost	**846.20**	926.31
Interest income	**(327.30)**	(156.69)
Share or profit/(loss) from Joint venture	**128.89**	177.51
(Gain)/loss on sale of investments(net)	**(250.33)**	(711.77)
(Gain)/loss on fair valuation of financial assets	**(82.04)**	(78.05)
(Gain)/loss on disposal of property, plant and equipment	**(4.87)**	(259.63)
Unrealised exchange (gain)/loss	**(312.93)**	(45.39)
Changes in expected credit loss	**377.55**	(5.58)
Operating Profit Before Working Capital Changes	**8,864.99**	4,072.64
Changes in assets and liabilities:		
(Increase) / Decrease in inventories	**(14,377.74)**	(3,259.50)
(Increase) / Decrease in trade receivables	**(5,630.02)**	(119.15)
(Increase) / Decrease in other financial assets and Other bank balances	**(2,455.27)**	(539.55)
(Increase) / Decrease in other non-current assets	**(10.01)**	(61.62)
(Increase) / Decrease in other current assets	**(6,836.67)**	(1,046.85)
Increase/(Decrease) in trade payable	**3,544.02**	987.66
Increase/(Decrease) in provisions	**71.05**	27.14
Increase/(Decrease) in other financial liabilities	**115.63**	(57.95)
Increase/(Decrease) in Contract liabilities	**15,278.91**	2,268.79
Increase/(Decrease) in other current liabilities	**73.55**	(987.85)
Cash generated from/(used in) operating activities	**(1,361.56)**	1,283.76
Income tax paid	**(1,789.01)**	(1,136.68)
Net cash generated from/(used in) operating activities	**(3,150.57)**	147.08

Consolidated Cash Flow statement for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Cash flow from Investing Activities		
Payments for property, plant and equipment	**(1,942.27)**	(1,621.74)
Proceeds from sale of property, plant and equipment	**138.12**	301.82
Purchase of current investments	**(21,500.00)**	(22,474.37)
Proceeds from sale of current investments	**22,551.14**	33,814.14
Investment in Equity Shares of Joint ventures	**-**	(1,624.90)
Interest received	**153.64**	147.25
Net cash flow/(used in) Investing Activities	**(599.37)**	8,542.20
Cash flow from Financing Activities		
Repayment of long term borrowings	**(961.11)**	(5,950.67)
Proceeds from short term borrowings	**1,02,409.54**	2,005.31
Repayment of short term borrowings	**(97,177.07)**	(3,924.22)
Interest paid	**(333.19)**	(719.84)
Dividend paid	**(216.53)**	(1,039.34)
Dividend tax paid	**(44.51)**	(213.64)
Net cash from /(used in) Financing Activities	**3,677.13**	(9,842.40)
Net Increase/(decrease) in Cash & Cash Equivalents	**(72.81)**	(1,153.12)
Cash & Cash Equivalents at the Beginning	**981.19**	2,134.31
Cash & Cash Equivalents at the End	**908.38**	981.19

Reconciliation of cash and cash equivalents as per the Statement of cashflows

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents (Note 8A)		
In current accounts	**903.86**	978.93
Cash on hand	**4.52**	2.26

This is the Cashflow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : June 24, 2020

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

Background

Astra Microwave Products Limited was incorporated in 1991 and it got listed under NSE and BSE in the year 1994. The group is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication.

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. The financial statements are for the group consisting of Astra Microwave Products Limited (the "Company") and its subsidiaries, Joint venture (the "group").

Note 1.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

(iii) New and amended standards adopted by the group

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

i. IndAS 116, Leases

ii. Long-term Interest in Assoiates and Joint Ventures — Amendment to IndAS 28, Investments in Associates and Joint ventures

iii. Uncertain Income Tax Treatment —Appendix C to Ind AS 12, Income Taxes

iv. Plan Amendment, Curtailment or Settlement — Amendment to Ind AS 19, Employee Benefits

v. Amendment to IndAS 103, Business Combinations and IndAS 111, Joint Arrangements

vi. Amendment to IndAS 12, Income Taxes

vii. Amendment to IndAS 23 , Borrowing costs

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not to significantly affect the current or future periods.

Principles of consolidation and equity accounting

i) Subsidiary:

Subsidiaries are all entities over which the group has control. The group controls as entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer (ii) below), after initially being recognized at cost.

iii) Joint Venture

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognized at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.8 below.

v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

Note 1.2 : Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments 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 each of the group 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 denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. assets and liabilities are translated at the closing rate at the date of that balance sheet

b. income and expenses are translated at average exchange rates, and

c. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Note 1.4 : Revenue recognition

(i) Sale of products

Revenue from sale of products is recognized when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognized only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Revenue from sale of services

The group provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognized in the accounting period in which the services are rendered

(iii) Financing component:

The Group recognizes significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

Note 1.5 : Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Note 1.6 : 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.

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. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

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

Note 1.7 : Leases

(Till March 31, 2019)

As a lessee:

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Effective from April 1, 2019:

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessaryto obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Note 1.8 : 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 1.9 : 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Note 1.10 : Trade receivables

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognized at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at the fair value. The group holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortized cost using effective interest rate method.

Note 1.11 : Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1.12 : Investments and other financial assets

i) Classification

The group 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 group 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 group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition

Regular way purchase and sales of financial assets are recognized on trade-date, the date on which the group commits to purchase or sale the financial assets.

iii) Measurement

At initial recognition, the group 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 group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group 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 recognized 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 recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 recognized 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 group subsequently measures all equity investments at fair value. Where the group'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 recognized in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized 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 group 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. Note 38 details how the group determines whether there has been a significant increase in credit risk.

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

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The group 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 group 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 group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest income

Interest income from the debt instruments is recognized 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 group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognized 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 group, and the amount of the dividend can be measured reliably.

Note 1.13 : Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

Note 1.14 : 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 group the counter party.

Note 1.15 : 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 group 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 group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation/amortization methods, estimated useful lives and residual value

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. 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 1.16 : Trade and other payables

These amounts represent liabilities for goods and services provided to the group 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 1.17 : Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

Note 1.18 : Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

Note 1.19 : Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 group 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 group 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 group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

Note 1.20 : Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit plans - gratuity; and

(b) Defined contribution plans - provident fund.

a. Defined benefit plans - gratuity

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

b. Defined contribution plans - provident fund

The group pays provident fund contributions to publicly administered funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus plans

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

Note 1.21 : Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1.22 : Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Note 1.23 : 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."

Note 1.24 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group has identified Managing Director and Joint Managing Director of the Company as chief operating decision makers.

Note 1.25 : Research and Development expenditure:

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

i) It is technically feasible to complete the project so that it will be available for use

ii) Management intends to complete the project and use or sell it

iii) There is an ability to use or sell the project

iv) It can be demonstrated how the project will generate probable future economic benefits

v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and

vi) The expenditure attributable to the project during its development can be reliably measured.

Note 1.26 : Critical estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:

1. Estimation of defined benefit obligation

2. Significant financing component

3. Provision for expected credit loss

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2019	Additions	Deletions / transfers	Adjustments	As at 31 Mar 2020	As at 1 April 2019	For the Year	On disposals	Adjustments	As at 31 Mar 2020	As at 31 Mar 2020
Own assets											
Land	2,045.97	-	-	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,804.12	1.28	-	-	6,805.40	1,296.02	519.71	-	-	1,815.72	4,989.68
Plant & Machinery	12,403.18	741.76	123.18	-	13,021.76	4,487.28	1,503.70	1.55	-	5,989.43	7,032.33
Electrical Installations	342.76	26.01	0.00	-	368.78	141.13	53.60	-	-	194.74	174.04
Solar Power Plant	669.19	(0.00)	-	-	669.19	200.21	53.02	-	-	253.23	415.96
Air Conditioners	434.35	5.04	-	-	439.38	201.73	58.12	-	-	259.85	179.53
Office Equipment	305.01	17.28	-	-	322.29	179.30	58.15	-	-	237.45	84.84
Computers	365.31	131.20	25.03	-	471.48	190.30	142.85	14.79	-	318.37	153.12
Furniture & Fixtures	1,083.77	40.58	-	0.04	1,124.39	860.78	51.94	-	0.01	912.74	211.66
Vehicles	120.92	-	10.78	-	110.13	28.09	29.15	9.40	-	47.84	62.29
Wind Electric Generator	1,245.47	-	-	-	1,245.47	417.78	105.67	-	-	523.44	722.03
Total	**25,820.05**	**963.16**	**158.99**	**0.04**	**26,624.26**	**8,002.63**	**2,575.91**	**25.74**	**0.01**	**10,552.82**	**16,071.44**
Capital work-in-progress	**243.39**	**962.27**	**-**	**-**	**1,205.65**	**-**	**-**	**-**	**-**	**-**	**1,205.65**

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 2 : Property, Plant and Equipment

Particulars	Gross carrying value					Accumulated depreciation					Net carrying amount
	As at 1 April 2018	Additions	Deletions / transfers	Adjustments*	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals	Adjustments	As at 31 March 2019	As at 31 March 2019
Own assets											
Land	1,986.94	97.68	38.65	-	2,045.97	-	-	-	-	-	2,045.97
Buildings	6,783.65	20.47	-	-	6,804.12	723.96	572.05	-	-	1,296.01	5,508.11
Plant & Machinery	11,506.56	896.68	0.07	-	12,403.17	2,862.79	1,624.52	0.03	-	4,487.28	7,915.89
Electrical Installations	313.99	28.77	-	-	342.76	77.02	64.12	-	-	141.14	201.62
Solar Power Plant	669.19	-	-	-	669.19	140.61	59.60	-	-	200.21	468.98
Air Conditioners	428.13	6.22	-	-	434.35	123.08	78.65	-	-	201.73	232.62
Office Equipment	266.10	39.04	0.13	-	305.01	93.33	86.00	0.02	-	179.31	125.70
Furniture & Fixtures	358.42	19.15	-	-	377.57	131.35	58.95	-	-	190.30	187.27
Computers	927.64	143.86	-	0.03	1,071.53	664.14	196.63	-	0.01	860.78	210.75
Vehicles	79.71	50.01	8.81	-	120.91	4.67	28.83	5.41	-	28.09	92.82
Wind Electric Generator	1,245.47	-	-	-	1,245.47	297.00	120.78	-	-	417.78	827.69
Total	**24,565.80**	**1,301.88**	**47.66**	**0.03**	**25,820.05**	**5,117.95**	**2,890.13**	**5.46**	**0.01**	**8,002.63**	**17,817.42**
Capital work-in-progress	**3,720.20**	**1,994.04**	**5,641.74**	**-**	**72.50**	**-**	**-**	**-**	**-**	**-**	**72.50**

Capital work-in-progress mainly comprises buildings for a new plant.
Refer note no. 33 for Capital commitments of the group
Refer note no. 35 for the Assets pledged as security

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 3 (a): Investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
A. Non-current investments (Refer Note a below)		
Investments accounted for using the equity method		
Equity instruments of Joint venture (unquoted)	**1,318.60**	1,447.49
Total	**1,318.60**	1,447.49

Note 3(b): Investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
B. Current investments (Refer Note b below)		
Investment carried at fair value through profit and loss		
Investments in Mutual Funds (quoted)	**1,304.70**	2,023.46
Total	**1,304.70**	2,023.46

Note a: Details of non-current investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Investments accounted for using the equity method		
Equity instruments of Joint ventures (unquoted)		
Astra Rafael Comsys Private Limited (Joint Venture w.e.f June 18, 2018)	**1,318.60**	1,447.49
16,250,000 (2019 : 16,250,000) equity shares of Rs. 10/- each fully paid up		
Total	**1,318.60**	1,447.49
Aggregate book value of unquoted investments	**1,318.60**	1,447.49

Note b: Details of current investments

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Investments in Mutual Funds (quoted)		
a) 3,739,927.244 (2019 : 3,739,927.244)Units of SBI Credit Risk Fund - Regular growth	**1,185.77**	1,117.03
b) 234,894.521 (2019 - 234,894.521) Units of SBI Magnum Income Fund - Regular Plan - Growth	**118.93**	105.62
c) Nil, (2019: 21,771.21) units of HDFC Liquid Fund - Direct Plan- Growth Option	**-**	800.81
Total current investment	**1,304.70**	2,023.46
Aggregate of quoted current investments and market value thereof	**1,304.70**	2,023.46
Aggregate book value of unquoted investments -Non-current	**1,318.60**	1,447.49
Aggregate book value and market value of quoted investments - Current	**1,304.70**	2,023.46

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 4 : Other financial asset

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
a) Non-current, carried at amortised cost		
Unsecured, considered good		
Security deposits	**80.48**	47.57
Margin money deposits against guarantees		
- maturity period of more than 12 months	**1,059.80**	1,169.93
Total Non current other financial assets	**1,140.28**	1,217.50
b) Current, carried at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	**45.66**	-
Total current other financial assets	**45.66**	-

Note 5 : Other assets

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
a) Non-current		
Unsecured, considered good		
Capital advances	**27.83**	3.10
Deposits with government departments	**82.17**	71.51
Prepaid expenses	**121.46**	122.11
Total non-current assets	**231.46**	196.72
b) Current:		
Unsecured, considered good		
Prepaid expenses	**478.63**	264.01
Balance with government authorities	**2,973.47**	288.08
Employee benefits - gratuity, net*	**-**	64.91
Advances to suppliers		
- to others	**5,441.93**	1,440.37
Total current assets	**8,894.03**	2,057.37

*Refer Note 31 (c)

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 6 : Inventories

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Raw materials	**14,202.16**	6,689.68
Packing material	**50.35**	11.79
Work-in-progress	**13,990.85**	7,046.25
Finished goods	**111.45**	229.34
Total	**28,354.81**	13,977.06

Raw materials include good-in-transit INR 2,423.55 lakhs (2019 : INR 151.68 lakhs)

Write downs of inventories to net realisable value amounted to INR 13.33 lakhs (2019: INR 53.37 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of finished goods and work-in-progress ' in statement of profit and loss.

Note 7 : Trade receivables

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Trade receivables		
Unsecured, considered good	**24,935.84**	19,214.06
Credit impaired	**966.55**	589.00
Less: Allowance for doubtful debts	**(966.55)**	(589.00)
Total	**24,935.84**	19,214.06

* Includes dues from related parties aggregating to INR 118.31 lakhs (2019: INR 14.97 lakhs). Refer note 30

Note 8 : Cash and Bank Balances

Note 8A: Cash and Cash Equivalents

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
in current accounts	**903.86**	978.93
Cash on hand	**4.52**	2.26
Total	**908.38**	981.19

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods

NOTE 8B: Other Bank balances

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Margin money deposits against guarantees	**4,332.72**	1,717.89
Earmarked balances with banks :	**-**	-
Unpaid dividend account	**82.14**	91.42
Total	**4,414.86**	1,809.31

Margin money deposit above includes Fixed Deposits under lien amounting to INR 352.51 Lakhs (2019: INR 332.00 Lakhs)

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 9: Tax assets (net)

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
a. Non-current tax assets/ (liabilities)		
Advance income tax (net of provision for income tax of INR 434.04 lakhs (2019: INR 434.04 lakhs))	**577.43**	538.20
Total	**577.43**	538.20

Note 10: Equity share capital

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Authorised share capital:		
150,000,000 (2019 : 150,000,000) equity shares of Rs. 2/- each	**3,000.00**	3,000.00
Total	**3,000.00**	3,000.00
Issued and subscribed capital:		
86,611,675 (2019 : 86,611,675) equity shares of Rs. 2/- each fully paid	**1,732.23**	1,732.23
Total	**1,732.23**	1,732.23

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding of equity shares	Number of shares held	% holding of equity shares
Ratnabali Investment Pvt.Ltd.,	46,34,272	**5.35%**	46,34,272	5.35%
Sundaram Mutual Fund	4,717,671	**5.45%**	4,789,398	5.53%

(b) Movement in equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	**86,611,675**	**1,732.23**	86,611,675	1,732.23
Add: Number of shares issued and subscribed during the year	**-**	**-**	-	-
At the end of the year	**86,611,675**	**1,732.23**	86,611,675	1,732.23

(c) Terms and rights attached to equity shares:

The company has one class of equity shares having a par value of Rs. 2 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.

The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 11

11A: Other equity

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Reserves and surplus:		
General reserve	**7,482.80**	7,482.80
Securities premium reserve	**6,856.20**	6,856.20
Debenture redemption reserve	**-**	-
Foreign currency translation Reserve	**12.81**	(0.46)
Retained earnings	**37,931.04**	33,885.56
Total	**52,282.85**	48,224.10

General Reserve	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Opening balance	**7,482.80**	6,232.80
Transferred from Debenture Redemption Reserve	**-**	1,250.00
Closing balance	**7,482.80**	7,482.80

Securities premium reserve	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Opening balance	**6,856.20**	6,856.20
Add: Movement during the year	**-**	-
Closing balance	**6,856.20**	6,856.20

Debenture Redemption Reserve	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Opening balance	**-**	1,250.00
Transferred to General Reserve on Redemption	**-**	(1,250.00)
Closing balance	**-**	-

Retained earnings	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Opening balance	**33,885.56**	34,033.22
Impact of application of Ind AS 115	**-**	(73.88)
Add: Net profit for the year	**4,404.15**	976.20
Add: Remeasurement of Defined benefit obligations (net off tax)	**(85.24)**	203.00
Adjustment due to change in functional currency of Aelius	**(12.39)**	-
Dividend paid	**(216.53)**	(1,039.34)
Dividend Tax paid	**(44.51)**	(213.64)
Closing balance	**37,931.04**	33,885.56

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Foreign Currency Translation Reserve	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	**(0.46)**	(0.87)
Additions during the year	**13.27**	0.41
Closing Balance	**12.81**	(0.46)

11B. Non Controlling Interest

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	**0.16**	0.16
Additions during the year	**-**	-
Closing Balance	**0.16**	0.16

Nature and purpose of reserves

Securities premium reserves:

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

Debenture redemption reserve:

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

General reserve:

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

Note 12 : Non-current borrowings

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Secured		
Term loans		
Term Loan from banks		
a. Loan from HDFC Bank	**-**	475.44
Total non-current borrowings	**-**	**475.44**

Refer note 17 for current maturities of non-current borrowings.

Refer note no. 35 for the assets pledged as security

Nature of security:

Term Loans

a. Term loan from HDFC Bank is secured by First exclusive charge on the Fixed Assets funded by this term loan. Second pari passu charge on entire unencumbered fixed assets of the company along with term lenders. Pari Passu second charge on all chargeable current assets of the company along with other term lenders and personal guarantee of the former Managing Director and former Chief Operating Officer who are also founders of the Company.

b. Aggregate amount of loans Guaranteed by former Managing Director and former Chief Operating Officer who are also founders of the Company is INR 475.44 lakhs (2019 : INR 1,426.10 lakhs).

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Terms of repayment:

i) Term loan from HDFC bank is repayable in 12 quarterly instalments starting after one year from the date of first disbursement (date of first drawdown was June 5, 2017) along with an interest as mutually agreed with the bank payable on a monthly basis. Interest rates are normally reset on an yearly basis. Present rate of interest is in the range of 9.24% to 9.65%.

Note 13 : Provisions*

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Non-current		
Provision for compensated absences	**303.68**	12.46
Provision for gratuity	**47.65**	11.35
Total non-current provisions	**351.33**	23.81
Current		
Provision for compensated absences	**86.42**	321.94
Provision for gratuity	**95.38**	2.27
Total current provisions	**181.80**	324.21

*Refer note 31

Note 14 : Deferred tax liabilities / (assets)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Deferred tax Liabilities	**863.52**	471.72
Deferred tax Assets	**(997.48)**	(87.10)
Deferred tax liabilities/ (assets) (net)	**(133.96)**	384.62

Reconciliation of Deferred tax balances

2019-20	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
A. Deferred tax liabilities (net)					
Depreciation	1,453.47	(641.46)	-	-	812.00
On Fair value gain of Mutual funds	43.14	8.37	-	-	51.52
Deferred tax liabilties	1,496.61	(633.09)	-	-	863.52
Provision for gratuity	(4.25)	(3.32)	(28.43)	-	(36.00)
Provision for Leave Encashment	(110.03)	11.85	-	-	(98.18)
Provision for Leave Travel Allowance	-	-	-	-	-
Unabsorbed losses	(66.57)				(100.77)
Deferred revenue	(154.63)	(2.15)	-	-	(156.78)
Provision for expected credit loss	(217.54)	(25.71)	-	-	(243.26)
Forward Contracts	-	0.89	-	-	0.88
Indexation benefit on land	(330.69)	(32.68)	-	-	(363.37)
MAT Credit entitlement	(228.28)	228.28	-	-	-
Deferred tax assets	**(1,111.99)**	**177.16**	**(28.43)**	**-**	**(997.48)**
Deferred tax liabilities (net) (A)	**384.62**	**(455.93)**	**(28.43)**	**-**	**(133.96)**

2018-19	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised in equity	Closing balance
A. Deferred tax liabilities (net)					
Depreciation	1,829.75	(379.09)	-	-	1,450.66
On Fair value gain of Mutual funds	198.79	(155.65)	-	-	43.14
Deferred tax liabilties	**2,028.54**	**(534.74)**	**-**	**-**	**1,493.80**
Provision for gratuity	(85.02)	(22.63)	107.66	-	-
Provision for Leave Encashment	(121.40)	15.26	-	-	(106.14)
Provision for Leave travel allowance	(117.20)	117.20	-	-	-
Deferred revenue	-	(114.95)	-	(39.68)	(154.63)
Provision for Expected credit loss	(207.77)	(9.38)	-	-	(217.15)
Indexation benefit on land	(327.99)	(2.70)	-	-	(330.69)
MAT Credit entitlement	(733.47)	520.01	-	-	(213.47)
Deferred tax assets	**(1,592.85)**	**502.81**	**107.66**	**(39.68)**	**(1,022.08)**
Deferred tax liabilities (net) (A)	**435.69**	**(31.93)**	**107.66**	**(39.68)**	**471.72**
B. Deferred tax assets (net)					
Depreciation	3.90	(1.08)	-	-	2.81
Deferred tax liabilties	**3.90**	**(1.08)**	**-**	**-**	**2.81**
Provision for gratuity	(4.66)	(0.75)	1.16	-	(4.25)
Provision for Leave Encashment	(9.36)	5.47	-	-	(3.89)
Unabsorbed Losses	-	(66.57)	-	-	(66.57)
Provision for expected credit loss	-	(0.39)	-	-	(0.39)
MAT Credit entitlement	(16.84)	2.03	-	-	(14.81)
Deferred tax assets	**(30.86)**	**(60.21)**	**1.16**	**-**	**(89.91)**
Deferred tax assets (net) (B)	**(26.96)**	**(61.29)**	**1.16**	**-**	**(87.10)**
Total	**408.73**	**(93.22)**	**108.82**	**(39.68)**	**384.62**

The group had not created deferred tax asset on the unused tax losses of foreign subsidiary AELIUS Semiconductors Pte. Ltd amounting to INR 49.83 lakhs (2019: INR 41.09 lakhs). The unused tax losses can be carried forward indefinitely.

Note 15: Current Borrowings

Particulars	As at March 31, 2020 Amount	As at March 31, 2019 Amount
Secured		
From banks		
Working Capital		
Canara Bank	**981.60**	-
HDFC Bank	**3,557.29**	248.45
Axis bank	**947.34**	-
Bank Overdraft		
HDFC Bank	**-**	5.31
Total	**5,486.23**	253.76

Refer note no. 35 for the assets pledged as security

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Nature of security:

Prime Security:

Pari Passu first charge on stocks and receivables and other chargeable current assets of the Group along with other working capital lenders

Collateral Security:

Pari Passu first charge on entire unencumbered Fixed Assets of the group (other than those financed by term lenders) along with other working capital lenders, including equitable mortgage of company's properties offered as collateral security and Pari Passu second charge on the fixed assets of the group funded by other term lenders.

Personal Guarantee:

Personal Guarantee of the former Managing Director and former Chief Operating officer who are also founders of the Company.

Terms of repayment:

i) Working capital Loans taken from Banks are repayable within a period of 90 days to 180 days from the date of taking the loan.

ii) Interest rates are normally reset on an yearly basis. Present rate of interest is 8.25%.

iii) Working capital demand loans (bank over draft) are repayable on demand and the interest rate for these loans are in the range of 9.25% to 11.45%.

Note 16(a): Trade Payables : Dues to Micro and Small enterprises

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Dues to micro enterprises and small enterprises (Refer note 16(c) below)	**82.13**	57.65
Total	**82.13**	57.65

Note 16(b): Trade Payables : Dues to Other than Micro and Small enterprises

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade Payables : Others	**6,030.83**	2,401.46
Total	**6,030.83**	2,401.46

Note 16 (c): The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	82.13	57.65
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	-	-

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 17: Other financial liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Current maturities of long term debt (Refer note 12 above)	**475.44**	950.66
Unpaid Dividend	**82.14**	91.42
Interest accrued	**13.73**	11.67
Capital creditors	**72.29**	64.40
Employee benefits payable	**983.92**	851.52
Bonus and incentives	**-**	8.83
Retention monies	**17.43**	18.11
Others	**0.53**	7.78
Total	**1,645.48**	2,004.39

Note 18: Current tax liabilities (net)

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Provision for income tax (net of advance tax of Rs. 1751.77, 2019: Rs. Nil)	**249.75**	-
Total	**249.75**	-

Note 19: Other current liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Payroll taxes payable	**60.16**	52.23
Statutory dues payable	**469.31**	403.88
Audit fee	**0.11**	-
Secreterial Fee	**0.09**	-
Total	**529.67**	456.11

Note 20: Contract liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Current		
Advance from customers	**20,964.64**	5,185.23
Total	**20,964.64**	5,185.23

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Movement of Contract liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance of contract liabilities originally reported	**5,185.23**	2,360.68
Interest accrued on Advances from customers (on initial application of Ind AS 115)	-	113.56
Restated opening balance of contract liablities	**5,185.23**	2,474.24
Received during the year	**42,348.00**	6,175.05
Released to revenue during the year	**(22,375.20)**	(3,906.26)
Interest accrued on contract liabilities	**500.50**	442.20
Closing balance of contract liabilities	**25,658.53**	5,185.23

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities.

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Deferred revenue	**22,375.20**	3,196.93
Total	**22,375.20**	3,196.93

Note 21: Revenue from Operations

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Revenue from contracts with customers		
-Sale of Products	**43,993.46**	26,322.14
-Sale of Services	**2,507.65**	2,807.89
	46,501.11	29,130.03
Other Operating Revenue		
-Wind Electrical Power	**217.12**	213.89
-Operating Lease Rent	**4.20**	5.40
	221.32	219.29
Total	**46,722.43**	29,349.32

Unsatisfied long-term consulting contracts:

The following table show unsatisfied performance obligations resulting from fixed price long term Sale of Products.

Particulars	Year ended March 31,2020	Year ended March 31, 2019
Aggregate amount of the transaction price allocated to long term Sale of Products	**138,275.37**	117,541.74

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The aggregate amount of transaction price allocated to unsatisfied performance obligations represents the open orders which are not yet delivered and the entity will recognise this revenue as the goods are delivered or services are rendered, which is expected to occur over the next 24 months.

Reconciliation of revenue recognised with contract price:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract price	**46,181.35**	29,016.77
Adjustment for:		
Financing component	**319.76**	113.26
Revenue from operations	**46,501.11**	29,130.03

Critical Judgements in recognising revenue

The group has considered that the advances received from the customers more than one year before the transfer of control of the goods has the significant financing component. As a consequence, the group adjusted the transaction price to reflect the finance component from such customer advances.

Note 22: Other Income

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Interest income from financial assets at amortised cost	**327.30**	156.69
Export incentives	**28.56**	1,079.07
Net gain/(loss) on disposal of property, plant and equipment	**4.87**	259.63
Net gain on financial assets mandatorily measured at fair value through profit or loss(Mutual Funds)	**82.04**	78.05
Net gain/(loss) on sale of current investments(Mutual Funds)	**250.33**	711.77
Foreign exchange fluctuations	**507.21**	
Miscellaneous Receipts	**14.63**	161.41
Changes in expected credit loss in receivables	**0.90**	5.58
Total	**1,215.84**	2,452.20

Note 23: Cost of materials consumed

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Raw materials at the beginning of the year	**6,689.68**	5,212.92
Add: Purchases	**40,866.52**	19,485.18
Less: Raw materials at the end of the year	**(14,202.16)**	(6,689.68)
Total	**33,354.04**	18,008.42

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 24: Changes in inventories of finished goods and work-in-progress

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening Balance:		
Finished goods	**229.34**	84.21
Work-in-progress	**7,046.25**	5,405.24
Total(A)	**7,275.59**	5,489.45
Closing Balance:		
Finished goods	**111.45**	229.34
Work-in-progress	**13,990.85**	7,046.25
Total(B)	**14,102.30**	7,275.59
Changes in inventories of finished goods and work-in-progress (A)-(B)	**(6,826.71)**	(1,786.14)

Note 25: Employee benefit expenses

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Salaries, wages and bonus	**6,319.74**	5,866.75
Contribution to Provident Fund	**327.54**	258.13
Contribution to Employee State Insurance	**24.00**	31.37
Gratuity	**82.80**	91.41
Leave encashment	**194.15**	75.93
Staff welfare expenses	**201.65**	178.96
Total	**7,149.88**	6,502.55

Note 26: Depreciation

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Depreciation of property, plant and equipment	**2,575.91**	2,890.13
Total	**2,575.91**	2,890.13

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 27: Other expenses

Particulars	Year ended March 31, 2020 Amount	Year ended March 31, 2019 Amount
Power and fuel	**362.02**	315.72
Repairs and maintenance		
Plant and machinery	**576.13**	454.90
Buildings	**24.91**	37.41
Computers	**215.09**	219.66
Others	**317.41**	329.27
Travelling and conveyance	**702.56**	575.86
Printing and stationery	**65.11**	45.09
Telephone and communication charges	**64.20**	66.66
Operating lease rent	**67.89**	60.46
Insurance	**73.97**	75.10
Rates and taxes	**119.54**	60.36
Legal and professional fees	**473.73**	351.96
Auditors Remuneration (Refer note 27 (a))	**34.00**	20.00
Business promotion expenses	**105.27**	208.02
Royalty expense	**(0.15)**	8.33
Donations*	**0.25**	11.89
Corporate social responsibility expenditure (refer note 27(b))	**89.78**	130.59
Security charges	**158.49**	131.85
Payments to non-executive directors	**51.27**	22.10
Bank charges and commission	**630.24**	360.23
Changes in expected credit loss in receivables	**378.45**	-
Selling and distribution expenses	**63.55**	91.87
Foreign exchange fluctuations	**74.59**	38.90
Miscellaneous expenses	**147.85**	130.71
Total	**4,796.15**	3,746.94

* Donations above include INR 0.25 lakhs (2019 - INR 1.25 lakhs) paid to the Communist Party of India (Marxist) and INR Nil (2019 - INR Nil) paid to Communist Party of India.

Note 27(a): Auditors Remuneration

Particulars	Year ended March 31, 2020 Amount	Year ended March 31, 2019 Amount
(a) To statutory auditors		
Statutory Audit fee (including fees for quarterly reviews)	**34.00**	15.00
Fees for other services	**-**	5.00
Total	**34.00**	**20.00**

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 27(b): Corporate Social Responsibility expenditure

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Amount required to be spent as per Section 135 of the Act	**109.93**	149.05
Amount spent during the year on :		
1. On Purposes other than Construction/ acquisition of any assets	**110.60**	130.59

* Net of amount paid to Astra foundation 2020 : INR 20.82 lakhs (2019 - INR 19.5 lakhs).

Note 27(c) : Reconciliation of tax expenses and accounting profit multiplied by tax rate:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Profit before income tax expense	**5,913.91**	1,335.80
Income tax rate	**25.17%**	34.94%
Income tax expense	**1,488.41**	466.78
Tax effect on amounts which are not taxable in calculating taxable income:		
Permanent Disallowances		
i) Effect of tax on disallowed expenses	**(15.16)**	140.62
Additional tax credits		
ii) Effect of weighted deduction on research and development expenditure	**-**	(305.00)
iii) Effect of share of loss from Joint venture on which no deferred tax asset is created	**32.44**	62.03
iv) Effect of Deferred tax asset not created on set off or carried forward losses from Subsidiaries	**2.75**	(5.78)
v) Effect of different rate of tax at subsidiaries	**1.32**	0.95
Income tax recognised in statement of profit and loss	**1,509.76**	359.60

Change in Tax rate - From the assessment year 2020-21, the company has adopted a tax rate of 22% as against the rate of 30% applied in the previous year.

Note 28: Finance cost

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Interest expense		
On term loans	**94.03**	183.93
On working capital loans	**249.66**	102.80
On debentures	**-**	197.25
Interest on delayed payment of income tax	**2.01**	0.13
Interest on advances received from customers	**500.50**	442.20
Total	**846.20**	926.31

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Net Debt Reconciliation

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Net opening debt	**1,691.53**	9,538.99
Repayment of long term borrowings	**(961.11)**	(5,950.67)
Proceeds from short term borrowings	**1,02,409.54**	2,005.31
Repayment of short term borrowings	**(97,177.07)**	(3,924.22)
Other adjustments including Amortisation of Processing charges on borrowings	**12.51**	22.12
Net closing debt	**5,975.40**	1,691.53
Components of net debt:		
Non-current borrowings	**475.44**	1,426.10
Current Borrowings	**5,486.23**	253.76
Interest accrued	**13.73**	11.67
Total	**5,975.40**	1,691.53

Note 29 Earnings per share

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Profit after tax attributable to owners of the Company	**4,404.15**	976.20
Basic:		
Weighted average number of equity shares	**8,66,11,675**	8,66,11,675
Earnings per share (Rs.)	**5.08**	1.13
Diluted:		
Earnings per share (Rs.)	**5.08**	1.13

Note: EPS is calculated based on profits excluding the other comprehensive income

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 30: Related party disclosures

A. List of Related Parties:

Name of the Related Party	Nature of Relationship
Astra UBS Technologies Private Limited	Company in which KMP have control-Closed w.e.f. January 24, 2019
Astra Rafael Comsys Private Limited	Company in which KMP have control till June 17, 2018, Joint Venture Company w.e.f June 18, 2018
Astra Infonets Limited	Company where relative of a director is a director
Mr. S. Krishna Reddy	Relative of a director
Key managerial persons (KMP):	
Mr. B. Malla Reddy,	Managing Director - Resigned w.e.f. March 31, 2019
Mr. P.A. Chitrakar,	Chief Operating Officer-Resigned w.e.f. March 31, 2019
Mrs. C. Prameelamma,	Director (Technical)-Resigned w.e.f. March 31, 2019
Mr. S. Gurunatha Reddy,	Whole-Time Director and CFO till March 31, 2019 - Appointed as M.D.w.e.f. April 01, 2019
Mr. M. Venkateshwar Reddy,	Director - Marketing & Operations till March 31, 2019-Appointed as Joint M.D.w.e.f. April 01, 2019
Dr. Shiban K. Koul,	Non-executive Director-Retired w.e.f. March 31, 2019
Mr. T. Ramachandru,	Non-executive Director-Resigned w.e.f. March 22, 2019
Mr. V. V. R. Sastry	Chairman - Audit Committee and Independent Director
Mr. B. L. N. Raju	Independent Director
Dr. Avinash Chander	Independent Director - Appointed as Chairman of the Board w.e.f. April 01, 2019
Mr. Sunil Kumar Sharma	Independent Director w.e.f March 22, 2019
Ms. Kiran Dhingra	Independent Director - Appointed w.e.f. June 24, 2019.
Mr. Atim Kabra	Non-Executive Director - Appointed w.e.f. June 24, 2019
Mr. T. Anjaneyulu	Company Secretary
Mr. BVS Narasingaa Rao	Appointed as CFO w.e.f June 24, 2019

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

Name of the related parties	Nature of transactions	As at March 31, 2020	As at March 31, 2019
Astra Rafael Comsys Private Limited	Rent Receivable	**-**	0.66
	Amount receivable from subsidiary company against sales of goods	**90.24**	-
	Advance recd.	**1,658.84**	-
	Investment in shares	**1,625.00**	1,625.00

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

C. Details of transactions during the year:

Name of the related parties	Nature of balance	Year ended	
		March 31, 2020	March 31, 2019
Astra Rafael Comsys Private Limited	Investment in Shares	**1,624.90**	1,624.90
	Amount received from ARC for sale of Land	**-**	331.66
	Sales	**225.29**	-
	Professional charges received from ARC	**-**	69.66
	Rent Received	**4.20**	5.40
	Joint Venture Expenses Reimbursed to ARC	**-**	11.03
Astra Infonets Limited	Rent Paid	**30.67**	29.26
Mr. B. Malla Reddy	Director's remuneration	**-**	116.98
Mr. P.A. Chitrakar	Director's remuneration	**-**	86.51
Mrs. C. Prameelamma	Director's remuneration	**-**	99.06
Mr. S. Gurunatha Reddy	Director's remuneration	**127.71**	67.45
Mr. M. Venkateshwar Reddy	Director's remuneration	**123.24**	55.49
Dr. Shiban K. Koul	Payments to non-executive directors	**-**	4.45
Mr. T. Ramachandru	Payments to non-executive directors	**-**	4.25
Mr. V. V. R. Sastry	Payments to non-executive directors	**8.98**	4.45
Mr. B. L. N. Raju	Payments to non-executive directors	**8.58**	4.30
Dr. Avinash Chander	Payments to non-executive directors	**8.58**	4.45
Mr.Sunil Kumar Sharma	Payments to non-executive directors	**8.98**	0.20
Ms. Kiran Dhingra	Payments to non-executive directors	**8.18**	-
Mr. Atim Kabra	Payments to non-executive directors	**7.98**	-
Mr. S. Krishna Reddy	Remuneration to relative of a director	**19.00**	19.01
Mr. T. Anjaneyulu	Company secretary's remuneration	**15.71**	14.97
Mr. BVS Narasingaa Rao	CFO's remuneration	**18.67**	-

Note 31: Employee benefit Obligations

a) Leave obligations

The leave obligation covers the group's liability for sick and earned leave. Refer Note-13, for details of provision made in this regard.

b) Defined Contribution Plan

The group has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined such plan for the financial year 2019-20 is INR 327.54 lakhs and for the financial year 2018-19 is INR 258.13 lakhs.

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

c) **Defined Benefit Plans:**

Gratuity

The group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Defined benefit plans – as per actuarial valuation on March 31, 2020

i. Expense recognised in the Statement of Profit and Loss for the year ended March 31, :

	Gratuity	
	March 31, 2020	March 31, 2019
	Amount	Amount
1. Current service cost	**86.88**	73.86
2. Past Service Credit	**-**	-
3. Interest cost (net)	**(4.08)**	17.55
Total expense/(gain) recognised in P&L	**82.80**	91.41

ii. Included in other Comprehensive Income

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	**-**	32.14
- Financial Assumptions	**51.60**	8.80
- Experience Adjustments	**62.45**	(352.76)
Total expense/(gain) recognised in OCI	**114.05**	(311.82)

iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
1. Present value of defined benefit obligation as at 31st March	**831.54**	689.43
2. Fair value of plan assets as at 31st March	**688.53**	740.72
3. (Surplus)/Deficit	**143.01**	(51.29)
4. Current portion of the above included in other current assets	**92.73**	(64.91)
5. Current portion of the above included in provisions	**2.27**	2.27
6. Non current portion of the above included in provisions	**48.03**	11.35

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

iv. Changes in Obligation and fair value of plan assets during the year

Particulars	March 31, 2020	March 31, 2019
	Amount	Amount
A. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**689.43**	890.97
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**86.88**	73.86
- Past Service Cost	**-**	-
- Interest Expense (Income)	**48.39**	67.96
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:	**-**	-
i. Demographic Assumptions	**-**	32.14
ii. Financial Assumptions	**51.60**	8.80
iii. Experience Adjustments	**60.57**	(356.02)
4. Benefit payments	**(105.33)**	(28.28)
5. Present value of defined benefit obligation at the end of the year	**831.54**	689.43
B. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**740.72**	632.58
- Interest Income	**52.47**	50.41
2. Recognised in Other Comprehensive Income	**-**	-
- Actual Return on plan assets in excess of the expected return	**(1.88)**	(3.26)
3. Contributions by employer (including benefit payments recoverable)	**2.55**	85.47
4. Employer direct benefit payments	**(2.31)**	1.90
5. Benefit payments	**(103.02)**	(26.38)
6. Fair value of plan assets at the end of the year	**688.53**	**740.72**

The key assumptions used in accounting for gratuity are as below

v. Actuarial assumptions	March 31, 2020	March 31, 2019
1. Interest rate/Discount rate	**7.60%**	7.60%
2. Rate of increase in compensation	**6.00%**	6.00%
3. Attrition rate	**6.70%**	6.70%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation to the amounts shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	Amount
Discount rate (If changed by 1%)		
Increase	**767.26**	637.81
Decrease	**906.24**	749.21
Salary escalation rate (If changed by 1%)		
Increase	**909.84**	752.39
Decrease	**763.07**	634.18

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Expected cashflow and duration of the plan

Particulars	Gratuity plan	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Weighted average duration of DBO	**7.33**	7.17
1. Expected employer contributions in the next year	**-**	32.45
2. Expected benefit payments		
Year 1	**95.38**	73.57
Year 2 - 5	**277.46**	236.86
Beyond 5 years	**325.58**	284.07

Vii. Weighted Average Asset Alloacations at end of current period

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Insurance policies	**100%**	100%
Total	**100%**	100%

Viii. Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 32:

Segment information

The Group operates in a single product segment. Additional disclosures required as per Ind AS 108, “Operating Segments” are included below:

a. Geographical Segment revenue by location of customers

The following is an analysis of the Group’s revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2020	Year ended March 31, 2019
	Amount	Amount
In India	**30,853.04**	28,831.63
Outside India*	**15,869.38**	517.69
Total	**46,722.42**	29,349.32

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

b. Geographical Segment assets

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Segment assets		
India	**88,503.67**	61,213.84
Outside India	**322.04**	396.43
Consolidated total assets	**88,825.71**	61,610.27

Major Customers contributing more than 10 percent of revenue

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Elta Systems Limited	**11,050.56**	-
Gallium Arsenide Enabling TechCe(GA	**10,974.20**	-
Space Applications Centre	**5,142.60**	-
Antrix Corporation Limited	**-**	4,099.70
Bharat Dynamics Ltd	**-**	3,363.13
DCX Cable Assemblies Pvt., Ltd.,	**-**	3,855.18

Note 33: Commitments and contingent liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
A. Claims against the Company not acknowledged as debts in respect of:		
Disputed excise duty matters *	**248.19**	248.19
Total Contingent liabilities	**248.19**	248.19
B. Estimated amount of capital contracts remaining to be executed and not provided for	**121.61**	353.62
Total Capital commitments	**121.61**	353.62

* The group has received a favorable order against demand raised by Commissioner of Customs, Central Excise and Service Tax. However, the same has been disclosed as contingent liability as the department has preferred an appeal before Hon'ble High Court, Telangana and Andhra Pradesh.

C. The Hon'ble Supreme Court vide its judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in February 2019 and subsequent review petition in August 2019, the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation, has ruled in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. The group will continue to monitor and evaluate its position based on further developments on the matter.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 34: Events Occurring after the reporting period :

Refer to Note 40 for the final dividend recommended by the directors which is subject to approvals of shareholders in the ensuing annual general meeting.

Note 35: Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Current		
Financial assets		
Trade receivables	**24,907.15**	19,221.77
Non-financial assets		
Inventories	**28,243.60**	13,842.17
Total current assets pledged as security (A)	**53,150.75**	33,064
Non-current		
Property, plant and equipment	**11,592.99**	11,544.22
Capital work-in-progress	**1,205.65**	243.39
Total non-current assets pledged as security (B)	**12,798.64**	11,788
Total assets pledged as security* ((A) + (B))	**65,949.39**	44,851.56

* In addition, all chargeable current assets are pledged to the banks as security

Note 36: Research and development

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Amount	Amount
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres		
Revenue expenditure	**2,224.60**	1,745.63
	2,224.60	1,745.63

Note 37: Financial Instruments

Fair value

The management assessed that trade receivables, cash and cash equivalents, other bank balances, 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. The group has determined fair value of Non current financial assets and liabilities using discounted cash flow of future projected of cash flow.

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Non-current								
(a) Other financial assets	3	1,140.28	-	-	-	-	1,140.28	1,140.28
Current								
(a) Trade receivables	3	24,935.84	-	-	-	-	24,935.84	24,935.84
(b) Cash and cash equivalents	3	908.38	-	-	-	-	908.38	908.38
(c) Bank balances other than (b) above	3	4,414.86	-	-	-	-	4,414.86	4,414.86
(d) Investments	1	-	-	1,304.70	-	-	1,304.70	1,304.70
(e) Other financial assets	1	-		45.66			45.66	45.66
Total		**31,399.36**	-	**1,350.36**	-	-	**32,749.72**	**32,749.72**
Liabilities:								
Current								
Financial liabilities								
(a) Borrowings	3	5,486.23	-	-	-	-	5,486.23	5,486.23
(b) Trade payables	3	6,112.96	-	-	-	-	6,112.96	6,112.96
(c) Other financial liabilities	3	1,645.48	-	-	-	-	1,645.48	1,645.48
Total		**13,244.67**	-	-	-	-	**13,244.67**	**13,244.67**

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Non-Current								
(a) Other financial assets	3	1,217.50	-	-	-	-	1,217.50	1,217.50
Current								
(a) Trade receivables	3	19,214.06	-	-	-	-	19,214.06	19,214.06
(b) Cash and cash equivalents	3	981.19	-	-	-	-	981.19	981.19
(c) Bank balances other than (b) above	3	1,809.31	-	-	-	-	1,809.31	1,809.31
(d) Investments	1	-	-	2,023.46	-	-	2,023.46	2,023.46
Total		**23,222.06**	-	**2,023.46**	-	-	**25,245.52**	**25,245.52**
Liabilities:								
Non-Current								
(a) Borrowings	3	475.44	-	-	-	-	475.44	475.44
Current								
(a) Borrowings	3	253.76	-	-	-	-	253.76	253.76
(b) Trade payables	3	2,459.11	-	-	-	-	2,459.11	2,459.11
(c) Other financial liabilities	3	2,004.39	-	-	-	-	2,004.39	2,004.39
Total		**5,192.70**	-	-	-	-	**5,192.70**	**5,192.70**

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Fair value hierarchy

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

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note 38: Financial risk management

Risk management framework

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

Credit risk

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

The group primarily deals with Public Sector Enterprises and Government undertakings. Regarding credit exposure from customers, the group has a procedure in place aiming to minimise collection losses.

The carrying amount of trade receivables, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents group'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.

The group'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.

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 group also holds deposits as security from certain customers to mitigate credit risk.

a. Trade and other receivables

The group'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 the default risk associated with the industry and country in which customers operate and are derived from revenue earned from customers primarily located in India. The group has a process in place to monitor outstanding receivables on a monthly basis.

The group's exposure to credit risk for trade and other receivables where simplified approach of recognising expected credit loss is recognised

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade receivables (Gross)	**25,902.39**	19,803.06
Less: Expected credit loss	**(966.55)**	(589.00)
Trade receivables as per the financial statements	**24,935.84**	19,214.06

The group's exposure to credit risk for financial assets other than trade receivables, where 12 month expected credit loss is recognised

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Particulars	Carrying amount	
	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Cash and cash equivalents	**908.38**	981.19
Other bank balances	**4,414.86**	1,809.31
Other financial assets	**1,185.94**	1,217.50
Less: Expected credit loss	**-**	-
Trade receivables as per the financial statements	**6,509.18**	4,008.00

Movement in Expected Credit loss

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Opening balance	**589.00**	594.58
Add: provided during the year	**377.55**	(5.58)
Net re-measurement of ECL	**966.55**	589.00

Significant estimates and judgements

Provision for expected credit loss on Trade receivables

The allowance for doubtful debts are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reprting period. The group 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 Following are the financial assets carried at amortised cost at the reporting date.

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Trade receivables	**24,935.84**	19,214.06
Cash and cash equivalents	**908.38**	981.19
Other bank balances	**4,414.86**	1,809.31
Other financial assets	**1,185.94**	1,217.50
	31,445.02	23,222.06

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The group's Management is responsible for liquidity, funding as well as settlement management.

The group monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. As at 31 March 2020, the expected cash flows from trade receivables is Rs. 24,935.84. (As at March 31, 2019 - Rs 19,214.06)

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

(i) Financing arrangements

The group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Expiring within one year (bank overdraft and other facilities)	**4,790.24**	14,251.55

(ii) Maturities of financial liabilities

As at March 31, 2020

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	5,486.23	-	-	5,486.23
Trade payables	6,112.96	-	-	6,112.96
Other financial liabilities (excluding trade payables)	1,645.48	-	-	1,645.47
	13,244.67	**-**	**-**	**13,244.66**

As at March 31, 2019

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	253.76	475.44	-	729.20
Trade payables	2,459.11	-	-	2,459.11
Other financial liabilities (excluding trade payables)	1,144.04	-	-	1,144.04
	3,856.91	**475.44**	**-**	**4,332.35**

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. Financial instruments affected by market risk include loans and borrowings and trade receivables. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and 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. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

Foreign currency 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 group'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, JPY and EURO against the functional currency of the group. The group's exposure to foreign currency changes for all other currencies is not material. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The group has not entered into derivative instruments during the year.

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

The group's foreign currency payables and receivables are as follows

Exposure to currency risk

The summary quantitative data about the group's gross exposure to currency risk is as follows:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Receivable	USD	104.22	7,885.67	27.39	1,894.08
	EURO	-	-	1.46	113.36
Amounts Payable	USD	28.70	2,171.81	(7.33)	(506.66)
	GBP	0.03	2.48	-	-
	JPY	3.85	2.68	-	-
	CHF	-	-	-	(0.16)
	EURO	1.32	109.15	(0.20)	(15.36)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the USD, against INR would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts sales and purchases.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
31-Mar-2020 (one rupee movement)				
USD	132.92	(132.92)	99.47	(99.47)
GBP	0.03	(0.03)	0.02	(0.02)
JPY	3.85	(3.85)	2.88	(2.88)
EURO	1.32	(1.32)	0.99	(0.99)
31-Mar-19 (one rupee movement)				
USD	20.06	(20.06)	13.05	(13.05)
EURO	1.26	(1.26)	0.82	(0.82)

Price Risk

The group 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 profit before tax	
	31 March 2020	31 March 2019
Increase by 1%	**13.05**	20.23
Decrease by 1%	**(13.05)**	(20.23)

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

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. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. As the group has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2020	31 March 2019
Change in interest rate		
-increase by 50 basis points	**1.72**	2.42
-decrease by 50 basis points	**(1.72)**	(2.42)

Note 39: Capital Management

The group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

As at March 31, 2019, the group has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.

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

Capital gearing ratio

Particulars	As at	
	March 31, 2020	March 31, 2019
	Amount	Amount
Borrowings		
Current - Short term borrowings	**5,486.23**	253.76
Non current - Long term borrowings	**-**	475.44
Current maturities of long term borrowings	**475.44**	950.66
Debt	**5,961.67**	1,679.86
Equity		
Equity share capital	**1,732.23**	1,732.23
Other equity	**52,282.85**	48,224.10
Total capital	**54,015.08**	49,956.33
Net debt to equity ratio	**11%**	3%

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 40: Dividends

Particulars	March 31,2020
a) Proposed dividend Rs. 1.20/- per fully paid-up share subject to the approval of shareholders in ensuing annual general meeting.	1,039.34
b) Final dividend declared for the year ended March 31, 2019 and paid during the year ended March 31, 2020 - Rs. 0.25/- per fully paid-up share	216.53
c) Final dividend declared for the year ended March 31, 2018 and paid during the year ended March 31, 2019 - Rs. 1.20/- per fully paid-up share	1,039.34

41. Short term Lease

a) Nature of lease	The company is engaged in one lease as lessee for its office premises
b) Short term lease exemption	The lease is cancellable at option of both the parties by giving 3 months notice in advance. Accordingly, the company has identified the lease as a short term lease and opted the short term lease exemption.
c) Short term lease expenses	Expenses recognised on account of short term leases is INR 67.89 lakhs (refer note 27)
d) Cash ouflow	The lease rent paid is INR 67.89 lakhs

42. Impact of Covid-19 pandemic on the business:

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication.

Except for the delay due to the lockdown announced by the government, the Company has managed uninterrupted services to its Customers till date and will continue the same for the next 3 to 6 weeks based on Raw Material stocks available at the plant. The Company is able to continue their operations and supply chain with approximately 50% less workforce and following all precautions and compliance to COVID19.

Further, the company has carried out an assessment of the following based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions:

a) Going concern - based on the available cash flows and approved annual operating plan;

b) the recoverability of receivables – considering past experience and communication with the customers;

c) investments in Joint venture, inventories and carrying value of property, plant and equipment - expects to recover the carrying amount of these assets as at the balance sheet date.

Based on the assessment management has concluded that there are no material adjustments required in the financial statements.

The management has conducted the physical verification of inventories subsequent to the year end and the auditors have observed the physical verification.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 43: Additional Information required by Schedule III

Name of the entity in the Group	Net Assets		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Astra Microwave Products Limited								
Balance as at March 31, 2020	96.82%	52,295.15	110.87%	4,883.03	117.42%	(84.50)	110.76%	4,798.53
Balance as at March 31, 2019	95.90%	47,906.90	128.45%	1,253.98	98.54%	200.44	123.30%	1,454.42
Subsidiaries incorporated in India								
Bhavyabhanu Electronics Private Limited								
Balance as at March 31, 2020	0.21%	114.97	-4.73%	(208.21)	1.03%	(0.73)	-4.82%	(208.94)
Balance as at March 31, 2019	0.60%	301.51	-13.82%	(134.90)	1.25%	2.55	-11.22%	(132.35)
Astra foundation								
Balance as at March 31, 2020	0.01%	2.79	0.02%	1.09	0.00%	-	0.03%	1.09
Balance as at March 31, 2019	0.00%	1.69	0.06%	0.62	0.00%	-	0.05%	0.62
Subsidiaries incorporated outside India								
AELIUS Semiconductors Pte. Ltd. Singapore								
Balance as at March 31, 2020	0.53%	283.73	-0.37%	(16.16)	-18.45%	13.27	-0.07%	(2.89)
Balance as at March 31, 2019	0.60%	299.01	3.48%	34.00	0.20%	0.41	2.92%	34.41
Investment as per equity method								
Joint venture incorporated in India								
Astra Rafael Comsys Private Limited								
Balance as at March 31, 2020	2.44%	1,318.60	-2.93%	(128.89)	0.00%	-	-2.98%	(128.89)
Balance as at March 31, 2019	2.90%	-	-18.18%	(177.51)	0.00%	-	-15.05%	(177.51)
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2020	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2019	0.00%	(0.16)	0.00%	-	0.00%	-	0.00%	-
Total								
Balance as at March 31, 2020		54,015.08		4,404.17		(71.97)		4,332.20
Balance as at March 31, 2019		48,508.95		976.20		203.41		1,179.61

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Note 44: Interest in other entities

The consolidated financial statements of the Group includes subsidiaries and jointly controlled entities (JCE) listed in the table below with the nature of Interest and coutry of incorporation of the entity

Name	Nature of interest	Country of incorporation	% effective equity interest by group		% effective equity interest by NCI	
			31 March 2020	31 March 2019	31 March 2020	31 March 2019
Bhavyabhanu Electronics Private Limited	Subsidiary	India	99.9989%	99.9989%	0.001%	0.001%
AELIUS Semiconductors Pte. Ltd. Singapore	Subsidiary	Singapore	100%	100%	-	-
Astra foundation	Subsidiary	India	99.90%	99.90%	0.10%	0.10%
Astra Rafael Comsys Private Limited	Joint venture	India	50%	50%	NA	NA

Interest in Joint venture

The Company has invested 50 % in Astra Rafael, a Joint venture with Rafael to focus on defence communication and specific Electronic Warfare segment and a business plan in terms of potential business opportunities. The Group's interest in Astra Rafael is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Joint venture has been consolidated using Equity method of consolidation.

Commitments and contingent liabilities in respect of Joint Ventures

Particulars	As at	
	31 March 2020	31 March 2019
Estimated amount of capital contracts remaining to be executed and not provided for	-	593.34

Summarised financial information of Astra Rafael Comsys Private Limited (Joint venture)

Particulars	As at	
	31 March 2020	31 March 2019
Current assets		
Inventories	**1,631.75**	-
Financial assets		
i. Investments	**209.32**	1,405.47
ii. Cash and cash equivalents	**156.20**	65.63
iii. Other bank balances	**562.20**	526.51
Current tax assets (net)	**3.97**	3.02
Other current assets	**1,921.99**	52.44
Total Current Assets	**4,485.43**	2,053.07
Non-current assets		
Property, plant and equipment	**1,847.88**	356.41
Capital Work-in-progress	**268.92**	638.13

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Intangible assets under development	**41.35**	51.14
Financial assets		
i. Other financial assets	**6.35**	6.35
Deferred tax assets (Net)	**344.38**	27.99
Other non-current assets	**-**	116.82
Total Non Current Assets	**2,508.88**	1,196.84
Current liabilities		
Financial liabilities		
i. Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	**113.97**	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**387.58**	7.65
ii. Other financial liabilities	**335.10**	21.11
Other current liabilities	**3,227.44**	33.16
Total current liabilities	**4,064.09**	61.92
Non Current Liabilities	**-**	-
Total current liabilities	**-**	-
Net Assets	**2,930.22**	3,187.99

Reconciliation of group's share of Net assets in Joint venture with the carrying value

Particulars	As at	
	31 March 2020	31 March 2019
Group's Share of Net assets in the Joint venture in INR	**1,465.11**	1,594.00
Less: Unrealised gain on sale of Property, plant and equipment	**(146.51)**	-
Total	**1,318.60**	1,594.00
Carrying value of investment under equity method	**1,318.60**	1,447.49

Notes to consolidated financial statements for the year ended March 31, 2020
(All amounts are in Indian rupees lakhs, except share data and where otherwise stated)

Summarised statement of Profit and Loss of Astra Rafael Comsys Private Limited

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue		
Revenue from operations	**215.24**	232.65
Other income	**78.82**	144.64
Total Revenue	**294.06**	377.29
Expense		
Employees benefits expense	**480.63**	331.99
Depreciation and amortisation expenses	**170.56**	2.19
Other expenses	**217.50**	131.26
Tax expense		
- Current tax	**-**	-
- Deferred tax	**(316.65)**	27.99
Total Expense	**552.04**	493.43
Profit from continuing operations	**(257.98)**	(116.14)
Profit from discountinued operations	**-**	-
Profit for the year	**(257.98)**	(116.14)
Other compehensive income'	**-**	-
Total comprehensive income	**(257.98)**	(116.14)

45. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/ N-500016

Sunit Kumar Basu
Partner
Membership Number: 55000

Place : Hyderabad
Date : June 24, 2020

For and on behalf of the Board of Directors

AVINASH CHANDER
Chairman
DIN :- 05288690

S. GURUNATHA REDDY
Managing Director
DIN : - 00003828

M.V REDDY
Joint Managing Director
DIN : - 00421401

B V S NARASINGA RAO
Chief Financial Officer

T. ANJANEYULU
Company Secretary
FCS :- 5352

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONAND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Fiscal 2022 Audited Consolidated Financial Statement, Fiscal 2021 Audited Consolidated Financial Statements, Fiscal 2020 Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements that are included in this Preliminary Placement Document. Certain information contained in this section is taken from the report titled "Assessment of Indian Defence Equipment Manufacturing Industry" issued in February 2023 prepared by CRISIL Limited and commissioned by our Company from CRISIL Limited. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the nine months ended December 31, 2022 and December 31, 2021 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

This discussion contains forward looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward looking statements as a result of factors such as those set forth under "Forward looking Statements" and "Risk Factors" on pages 14 and 37, respectively.

In this section, unless the context otherwise requires, any reference to "our Company" is to Astra Microwave Products Limited on a standalone basis and any reference to "we, us and our" is to Astra Microwave Products Limited, its Subsidiaries, Associate and Joint Venture on a consolidated basis. Unless otherwise stated, all financial and other data regarding our Company's business and operations presented in this section is on a consolidated basis.

OVERVIEW

We are engaged in the business of designing, developing and manufacturing microwave and radio frequency systems, sub-systems and components. We are one of the few private sector manufacturers of critical microwave and radio frequency components, sub-systems and systems in India *(Source: CRISIL Report)*. Our Company is also amongst a few private sector players in India that has in-house capabilities of designing, developing and manufacturing critical microwave and radio frequency-based equipment (for instance, radars) that find applications across defence, aerospace, space, metrology, telecom and civil communications sectors *(Source: CRISIL Report)*. Some of our major clients include navratna public sector enterprises and large multinational defence electronics companies.

Our expertise in the development of critical microwave and radio frequency products with defence applications has enabled us to participate in several prestigious defence programs of India, such as Project Uttam where a fully engineered, qualified and deployable state-of-art Active Electronically Scanned Array Radar ("**AESAR**") has been developed indigenously with scalable architecture that can be adapted for various types of fighter class of airborne platforms *(Source: CRISIL Report)*. We are the only private sector company in India currently developing Active Aperture Array Unit ("**AAAU**"), one of the core components required for AESAR of fighter aircraft LCA Mk2 *(Source: CRISIL Report)*. We are the only private sector company in India which has Near Field Test Range ("**NFTR**") facility, which is required to test Radar sub-systems and systems *(Source: CRISIL Report)*. We are currently designing and developing the Active Array Transmitter Receiver Unit ("**AATRU**") with electronic warfare application for the Combat Aircraft Systems Development and Integration Centre ("**CASDIC**") of Defence Research and Development Organisation ("**DRDO**"). We also recently delivered 32 x 32 element S band phased array telemetry system ("**PATM 11**") and high and medium power radiation mode testing & evaluation facility for radar electronic warfare systems to DRDO.

We have also been part of the development of components for several space and meteorological programs in India as well. We have been among the key players for the development of sub-systems for India's Radar Satellite & Geosynchronous Satellite program, Resourcesat, Megatropics and Cartosat for Indian space programs by ISRO *(Source: CRISIL Report)*. We have also supplied wind profile radars and doppler radars and automatic weather stations to Indian Metrological Department and is one of the few companies in India who has the capability of designing and developing these radars *(Source: CRISIL Report)*.

We have five manufacturing facilities, including a 100% Export Oriented Unit ("**EOU**") in Telangana. We also have two R&D facilities, including a dedicated R&D center in Bengaluru for research and development of products in defence, security and civilian applications. Our R&D center in Bangalore has been recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India in 1994 and our manufacturing units are certified to meet ISO 9001:2015, ISO 27001:2013, ISO 45001:2018 and 14001:2015 standards as well as BS EN ISO 9001:2015 and AS9100D standards.

As a part of Government of India's ("**GOI**") recent emphasis on "Make in India" and "Aatmanirbhar Bharat" initiatives, the development of the domestic private defence sector has been emphasized upon. The GOI has put in place various initiatives encouraging Indian defence companies to source components locally and develop their products either through in-house R&D capabilities or develop and manufacture in India through foreign technology tie-up. We are well positioned to take advantage of these initiatives and improve our domestic orders. In accordance with the defence procurement procedure, as amended in 2020 we fall under the recently introduced category of capital procurement "Buy Indian-IDDM (Indigenously Designed, Developed and Manufactured)" which was introduced to promote the indigenous design and development of defence equipment. Further, as part of the Aatmanirbhar Bharat initiatives and to promote the private defence sector in India to manufacture these products using their own design and development capabilities, the Ministry of Defence has notified four positive indigenisation lists of sub-systems, assemblies, sub-assemblies and components along with a timeline for such products beyond which there would be an embargo on their import.

Further, the defence offset policy requires foreign vendors of certain categories of Indian defence contracts to *inter alia* source at least 30% of the value of the order from Indian manufacturers, subject to certain conditions prescribed therein. Our domain expertise and in-house capabilities has enabled us to be well poised to benefit from the offset requirements of foreign original equipment manufacturers ("**OEMs**") for manufacturing their products in India.

The following table set forth a breakup of our Company's revenue from operations on a standalone basis by each category of products for the periods indicated:

(in ₹ crores)

Revenue from sectors	**For nine month period ended December 31, 2022**	**For the Financial Year**		
		2022	**2021**	**2020**
Revenue from defence sector	347.48	333.08	177.98	72.15
Revenue from space sector	2.64	8.96	23.02	174.06
Revenue from meteorology sector	17.17	45.85	27.73	11.36
Revenue from exports (including deemed exports)	179.54	344.72	358.32	201.22
Revenue from other sectors	4.10	2.35	2.10	2.79
Total revenue from operations	**550.93**	**734.96**	**589.15**	**461.58**

Our Company's order book as on December 31, 2022 on a standalone basis is ₹1,733.60 crores, of which ₹941.00 crores is from the defence sector clients. A brief summary of our consolidated financial performance for the nine month periods ended December 31, 2022 and December 31, 2021 and the Financial years 2022, 2021 and 2020 are as follows:

(in ₹ crores)

	For nine month period ended		**For the Financial Year**		
	December 31, 2022	**December 31, 2021**	**2022**	**2021**	**2020**
Revenue from operations	557.07	511.02	750.46	640.91	467.2
Profit/(Loss) before tax	77.99	34.63	50.21	38.55	59.14
Net Profit/ (Loss) for the year/period	56.31	26.97	37.87	28.85	44.04

Our experienced management team is a great contributor to our Company's sustained performance. Majority of our Board has either been with our Company for over a few decades or has prior experience in divisions of the GOI, thus, bringing in years of domain experience and relevant client-servicing guidance and industry relations.

Specifically, our Managing Director, Sonnapureddy Gurunatha Reddy and Joint Managing Director, Maram Venkateshwar Reddy have 30 years and 25 years of experience in our Company, respectively. The Chairman of our Board, Dr. Avinash Chander, was a secretary of Defence R&D and Director General at DRDO and brings invaluable industry knowledge. In addition, to our management team, we believe that our skilled work force comprising of a large number of research and development professionals and skilled employees provide us with the depth of expertise and skills required to manage our business. We believe that our qualified and experienced management team and technically skilled employee base have contributed to the growth of our operations and the development of in - house processes and competencies.

We have received several awards over the years that bear testimony to our client servicing abilities. Some of our awards include, 'Deftronics Award 2017' by the Indian Electronics & Semiconductors Association in 2017 and the 'Certificate of Merit' for our outstanding performance in business excellence by the Electronic Industries Association of India for 2016-2017. For further details see "*Our Business- Awards and recognitions*" on page 326.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition may be affected by a number of significant factors, including the following:

Dependence on small number of customers

Our business is dependent on small number of customers, especially GoI related programmes and agencies. Our top five customers contributed 58%, 77%, 79% and 81% of our revenue from operations for the nine months period ended December 31, 2022 and Fiscals 2022, 2021 and 2020, respectively. Further, GoI related programmes and agencies contributed over 63.75%, 45.06%, 34.09% and 15.73% of our revenue from operations for the nine months period ended December 31, 2022 and Fiscals 2022, 2021 and 2020, respectively basis contracts awarded to us by these GoI related programmes and agencies. In a given financial year, a single client may contribute significantly to our total income and then may not contribute significantly or at all in subsequent periods. We may not be successful in winning significant business each year from our existing or future clients as the award of project is dependent on various factors. There is no assurance that we will be able to maintain historic levels of business from the existing customers or to retain existing customers, or that we will be able to replace our customer base in a timely manner or at all, in the event our existing customers do not continue to purchase products manufactured by us at the same rate as in the past or at all. Such loss of customers or customer orders may have an adverse effect on our revenues, cash flows and operations, including an interruption or partial or total work stoppage at our manufacturing facilities.

No long term contracts with our customers

Our Company has not entered into any long term agreements with our customers. We may not be successful in winning significant business each year from our existing or future clients as the award of project is dependent on various factors. Furthermore, we do not have long term arrangements with our customers to purchase our products and services in the future, at the current prices or at all. There is no assurance that we will be able to maintain historic levels of business from the existing customers or to retain existing customers, or that we will be able to replace our customer base in a timely manner or at all, in the event our existing customers do not continue to purchase products manufactured by us at the same rate as in the past or at all. Such loss of customers or customer orders may have an adverse effect on our business, financial condition and results of operations.

Underutilization of manufacturing capacities

We have five manufacturing facilities all located in the city of Hyderabad, India which are subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters, industrial accidents and difficulties faced by the location they concentrated in. Although, we take precautions to minimize the risk of any significant operational issues at our manufacturing facilities, the occurrence of any of these risks could adversely affect our operations by causing production at one or more of our facilities to cease or slow down. Utilization rates at our manufacturing facilities are subject to various factors including availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning and capacity utilization. An inability to utilize our manufacturing facilities to their full or optimal capacity or nonutilization of such capacities may adversely affect our business, results of operations and financial condition.

High working capital requirements

Our business requires working capital for day-to-day operations, procurement of raw materials, and production processes. In many cases, we are required to incur such working capital expenditure prior to receiving payments from customers, which may come through several months after we commence work on particular projects. While our typical debtor cycle is 120 days, in certain instances, we receive payments (i) on milestone basis; (ii) once accepted at the end of the OEM; and (iii) in case of projects with customers from the metrology sector, payments are only realised over a period of five years from the date of final acceptance of products. Our ability to arrange working capital financing in the future is dependent on numerous factors, including credit availability from banks, investor confidence, the continued success of our current projects and laws that are conducive to our raising capital in this manner. In connection with projects that we implement, we may be required to provide bank guarantees or performance guarantees in favour of customers to secure obligations under contracts. If we are unable to provide sufficient collateral to secure the bank guarantees or performance guarantee, our ability to enter into new contracts could be limited. We may not be able to continue obtaining additional bank guarantees, and performance guarantee in sufficient quantities to match our business requirements.

We maintain inventory of raw materials and components, work in progress and finished goods. Our level of inventory increases our risk of loss and storage costs as well as the working capital needed to operate our business. As our customers are not presently obliged to purchase our products or provide us with binding forecasts with respect to future production, there can be no assurance that our customers will require or purchase the goods we produce. Any of the foregoing, including if customer demand does not meet our production levels, could adversely affect our business, financial condition and results of operations.

OUR SIGNIFICANT ACCOUNTING POLICIES

Our Consolidated Financial Statements comprise the financial statements of our Company and all of its Subsidiaries, Associates and Joint Ventures as of December 31, 2022 and for the nine months ended December 31, 2022 and December 31, 2021 and the Financial Years 2022, 2021 and 2020. Our accounting policies are fully described in "*Financial Information*" on page 60.

A. *Basis of Preparation*

(i) Compliance with Ind AS :

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

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following:

- Certain financial assets and liabilities that is measured at fair value; and
- Defined benefit plans – plan assets measured at fair value

(iii) New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116; and
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends Ind AS 101,Ind AS 103, Ind AS 109, Ind AS 16, Ind AS 37 and Ind AS 41 with effect from April 1, 2022.These amendments do not have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

B. ***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.

C. ***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 ("**Functional Currency**"). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

D. ***Revenue recognition***

(i) Sale of products:

Revenue from sale of products is recognised when the control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales contracts, net of volume discounts and returns if any at the time of sale. Accumulated experience will be used to estimate and provide for the discounts, using the expected value method, and revenue is recognised only to the extent that it is highly probable that the significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The contract price is adjusted for the finance component where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The Company provides maintenance services to customers under fixed price contracts. Revenue from sale of services is recognised in the accounting period in which the services are rendered.

(ii) Financing component:

The Company recognises significant financing component in the revenue contract where the period between the advance received from the customer and transfer of the promised goods to the customer exceeds one year. The finance component is adjusted to the contract price to arrive at the transaction price to be considered for revenue recognition.

E. *Government grant*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

F. *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.

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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination 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.

G. *Leases*

(i) As a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(ii) As a lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

H. *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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

I. *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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

J. *Trade receivables*

Trade receivables are the amount due from the customers for the sale of goods and services rendered in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at the fair value. The Company holds trade receivables for the receipt of contractual cash flows and therefore measures them subsequently at the amortised cost using effective interest rate method.

K. *Inventories*

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

L. ***Investments and 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) Recognition

Regular way purchase and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial assets.

(iii) 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 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.

(iv) 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, 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.

(v) 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.

(vi) Income recognition

- Interest income: Interest income from the debt instruments 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 instrument but does not consider the expected credit losses.
- 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.

M. *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. These derivative contracts are not designated as hedges and are accounted for at fair value through profit or loss and are included in other income.

N. ***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 Company or the counterparty.

O. ***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 Company 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.

P. ***Depreciation/ amoritisation methods, estimated useful lives and residual value***

Depreciation is provided on written down value method considering the useful lives of the assets that have been determined based on technical evaluation done by the management which are inline with the useful lives prescribed under Schedule II of the Companies Act, 2013. In respect of solar power generating plant the management has estimated the useful life as 25 years. 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.

Q. ***Computer Software***

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.
Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

R. ***Trade and other payables***

These amounts represent liabilities for goods and services provided to the Company 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.

S. ***Borrowings***

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss under other income.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

T. ***Borrowings costs***

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

U. ***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 will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

V. ***Employee benefits***

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the government bond yield rates at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans – Gratuity:

  The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

  The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

  The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

  Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Asset ceiling will be recognised the present value of any economic benefits available in the form of refunds from the plan or reduces in future contributions in accordance with the terms and conditions of the plan and accordingly recognise the defined benefit assets.

- Defined contribution plans - provident fund.

  The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

- Bonus plans:

  Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where contractually obliged or where there is a past practice that has created a constructive obligation.

W. *Contributed equity*

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

X. *Dividends*

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Y. *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.

Z. *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Joint Managing Director as chief operating decision makers.

AA. *Research and Development expenditure*

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

(i) It is technically feasible to complete the project so that it will be available for use
(ii) Management intends to complete the project and use or sell it
(iii) There is an ability to use or sell the project
(iv) It can be demonstrated how the project will generate probable future economic benefits
(v) Adequate technical, financial and other resources to complete the development and to use or sell the project are available and
(vi) The expenditure attributable to the project during its development can be reliably measured.

BB. *Investment in Subsidiaries/Joint ventures*

Investments in subsidiaries and Joint ventures are recognised at cost less impairment if any.

CC. *Critical estimates and judgements:*

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The area involving critical estimates or judgements is:
(i) Estimation of defined benefit obligation
(ii) Significant financing component
(iii) Provision for expected credit loss

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Changes in Accounting Policies

There have been no changes in the Company’s accounting policies during the nine months ended December 31, 2022, December 31, 2021, and last three Financial Years.

OUR RESULTS OF OPERATIONS

The summary of our results of operations and analysis thereof, including as a percentage of total income, for the Financial Year 2022, for the Financial Year 2021 and for the Financial Year 2020 are stated below.

Particulars	For the Financial Year 2022		For the Financial Year 2021		For the Financial Year 2020	
	₹ in crore	Percentage of Total Income (%)	₹ in crore	Percentage of Total Income (%)	₹ in crore	Percentage of Total Income (%)
Income						
Revenue from Operations	750.46	99.16	640.91	98.33	467.22	97.46
Other Income	6.38	0.84	10.86	1.67	12.16	2.54
Total Income	756.84	100	651.77	100	479.38	100
Expenses						
Cost of materials consumed	542.09	71.62	486.21	74.60	333.54	69.58
Changes in inventories of finished goods and work-in-progress	(14.89)	(1.97)	(40.34)	(6.19)	(68.27)	(14.24)
Employees benefits expense	80.63	10.65	71.38	10.95	71.50	14.91
Finance costs	21.09	2.78	23.12	3.55	8.46	1.76
Depreciation and amortization expenses	22.04	2.91	23.54	3.61	25.76	5.37
Other expenses	53.41	7.06	46.47	7.13	47.96	10.00
Total Expenses	704.38	93.07	610.39	93.65	418.95	87.39
Profit/ (Loss) before tax and share of profit from Joint Venture and Associate	52.46	6.93	41.38	6.35	60.43	12.60
Share of Profit/ (loss) from Joint Venture	(2.29)	(0.30)	(2.84)	(0.43)	(1.29)	(0.27)
Share of Profit/ (loss) from Associate	0.05	0.01	0.00*	0.00*	NA	NA
Profit/ (loss) before tax	50.21	6.63	38.55	5.91	59.14	1.23
Income tax expense						
- Current tax	16.00	2.11	11.51	1.76	19.99	4.17
- Tax of earlier years	0.24	0.03	(0.32)	(0.05)	-	-
- Deferred tax	(3.90)	(0.51)	(1.49)	(0.23)	(4.90)	(1.02)
Net profit/ (loss) for the year	37.87	5.00	28.85	4.43	44.04	9.19
Net profit attributable to owners of the Company	37.87	5.00	28.85	4.43	44.04	9.19
Net Profit attributable to non-controlling interest	-	-	-	-	-	-
Other comprehensive income						
Items that will not be reclassified to profit or loss						
a) Remeasurements of post-employment benefit obligations	(0.96)	(0.12)	0.21	0.03	(1.14)	(0.24)
b) Income tax relating to items recognised in other comprehensive income	0.24	0.03	(0.05)	(0.01)	0.28	0.05
Items that will be reclassified to profit or loss						
a) Exchange differences on translations of foreign operations	0.13	0.02	(0.06)	(0.01)	0.14	0.03
Total other comprehensive income/ (loss) for the year, net of tax	(0.59)	(0.08)	0.09	0.01	(0.72)	(0.15)
Other Comprehensive Income attributable to owners of the Company	(0.59)	(0.08)	0.09	0.01	(0.72)	(0.15)
Other Comprehensive Income attributable to non-controlling interest	-	-	-	-	-	-
Total comprehensive income of the year	37.27	4.92	28.95	4.44	43.32	9.04
Total Comprehensive Income attributable to owners of the Company	37.27	4.92	28.95	4.44	43.32	9.04
Total Comprehensive Income attributable to non-controlling Interests	-	-	-	-	-	-

**Less than 0.01*

Summary of Results of Operations for the Financial Year 2022 compared to the Financial Year 2021

Total income: Our total income increased by 16.12% from ₹651.77 crore in Fiscal 2021 to ₹756.84 crore in Fiscal 2022. The increase was primarily due to the following factors:

- *Revenue from Operations:* The table set forth below provides a summary of our revenue from operations for the Financial Years 2022 and 2021:

Particulars	Financial Year ended	
	March 31, 2022	March 31, 2021
Revenue from contracts with customers		
- Sale of products	726.44	622.78
- Sale of services	22.11	16.46
Other Operating Revenue		
Wind Electrical Power	1.91	1.66
Total	750.46	640.91

  Our revenue from operations increased by 17.09% from ₹640.91 crore in Fiscal 2021 to ₹750.46 crore in Fiscal 2022. The increase was due to increase in orders from customers consequent to advancement in technology adopted by our Company.

- *Other Income:* Our other income decreased by 41.25% from ₹10.86 crore in Fiscal 2021 to ₹6.38 crore in Fiscal 2022. The decrease was primarily due to decrease in export incentives from ₹5.44 crore in Fiscal 2021 to ₹1.77 crore in Fiscal 2022

Total Expenses: Our total expenses increased by 15.40% from ₹610.39 crore in Fiscal 2021 to ₹704.38 crore in Fiscal 2022. The increase was primarily due to the following factors:

- *Cost of materials consumed:* The cost of materials consumed by us increased by 11.50% from ₹486.21 crore in Fiscal 2021 to ₹542.10 crore in Fiscal 2022. The increase was due to an increase in the requirement of raw material owing to the larger number of orders received by the Company in Fiscal 2022.

- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finishes goods and work-in-progress increased by 63.09% from ₹(40.34) crore in Fiscal 2021 to ₹(14.89) crore in Fiscal 2022. This was primarily due to reduction in the holding period of finished goods and process time of work-in-progress to finished goods in Fiscal 2022 compared to Fiscal 2021.

- *Employees benefits expenses:* Our employee benefits expenses increased by 12.96% from ₹71.38 crore in Fiscal 2021 to ₹80.63 crore in Fiscal 2022. The increase was primarily due to due to increase in compensation of existing employees and increase in the number of employees such as 67.60% increase in leave encashment from ₹1.42 crore in Fiscal 2021 to ₹2.38 crore in Fiscal 2022, increase by 27.93% in directors remuneration from ₹1.79 crore in Fiscal 2021 to ₹2.29 crore in Fiscal 2022

- *Finance Costs:* Our finance costs decreased by 8.78% from ₹23.12 crore in Fiscal 2021 to ₹21.09 crore in Fiscal 2022. The decrease was due to utilisation of funds from the Company's internal accruals.

- *Depreciation and amortization expenses:* Our depreciation and amortization expenses decreased by 6.37% from ₹23.54 crore in Fiscal 2021 to ₹22.04 crore in Fiscal 2022. The decrease was due to depreciation on assets being provided on a written down value at the beginning of the Financial Year.

- *Other expenses:* Our other expenses increased by 14.94% from ₹46.47 crore in Fiscal 2021 to ₹53.41 crore in Fiscal 2022. The increase was primarily due to, *inter alia*, (i) 60.93% increase in consumption of stores and spare from ₹0.64 crore in Fiscal 2021 to ₹1.03 crore in Fiscal 2022; (ii) 147.62% increase in the cost of repairs and maintenance of buildings from ₹0.42 crore in Fiscal 2021 to ₹1.04 crore in Fiscal 2022; (iii) 40.94% increase in expenses towards legal and professional fees from ₹2.98 crore in Fiscal 2021 to ₹4.20 crore in Fiscal 2022; and (iv) 195.55% increase in business promotion expenses from ₹0.45 crore in Fiscal 2021 to ₹1.33 crore in Fiscal 2022. Further, changes in fair value of financial assets were ₹4.24 crore in Fiscal 2022.

Profit/ (loss) before tax: Our profit before tax increased by 30.25% from ₹38.55 crore in Fiscal 2021 to ₹50.21

crore in Fiscal 2022.

Income tax expense:

- *Current tax:* Our current tax increased from ₹11.51 crore in Fiscal 2021 to ₹16.00 crore in Fiscal 2022. The increase was due to increase in the profit before tax from Fiscal 2021 to Fiscal 2022.

- *Tax of earlier years:* Our tax of earlier years increased from ₹(0.32) crore in Fiscal 2021 to ₹0.24 crore in Fiscal 2022. The increase was due to adjustments made for provisions created in the earlier years.

- *Deferred tax income:* Our deferred tax income decreased from ₹1.49 crore in Fiscal 2021 to ₹3.90 crore in Fiscal 2022. The decrease was due to difference in timings for items that were allowed as per the Income Tax Act, 1961 and as per the Companies Act, 2013.

Net profit/ (loss) for the year: Our net profit for the year increased by 31.27% from ₹28.85 crore in Fiscal 2021 to ₹37.87 crore in Fiscal 2022.

Total other comprehensive income/ (loss) for the year, net of tax: The total other comprehensive income, net of tax for Fiscal 2021 was ₹0.10 crore while the total other comprehensive loss, net of tax for Fiscal 2022 was ₹(0.59) crore. The loss during Fiscal 2022 was primarily due to remeasurement of post-employment benefit obligations of the Company.

Total comprehensive income for the year: The total comprehensive income increased by 28.77% from ₹28.95 crore in Fiscal 2021 to ₹37.28 crore in Fiscal 2022. The increase was primarily due to decrease in net profit for the Fiscal 2021.

Summary of Results of Operations for the Financial Year 2021 compared to the Financial Year 2020

Total income: Our total income increased by 35.96% from ₹479.38 crore in Fiscal 2020 to ₹651.77 crore in Fiscal 2021. The increase was primarily due to the following factors:

- *Revenue from Operations:* The table set forth below provides a summary of our revenue from operations for the Financial Years 2021 and 2020:

Particulars	Financial Year ended	
	March 31, 2021	March 31, 2020
Revenue from contracts with customers		
- Sale of products	622.78	439.93
- Sale of services	16.46	25.08
Other Operating Revenue		
Wind Electrical Power	1.66	2.17
Operating Lease Rent	-	0.04
Total	**640.91**	**467.22**

  Our revenue from operations increased by 37.18% from ₹467.22 crore in Fiscal 2020 to ₹640.91 crore in Fiscal 2021. The increase was due to new orders received and executed during Fiscal 2021.

- *Other Income:* Our other income decreased by 10.69% from ₹12.16 crore in Fiscal 2020 to ₹10.86 crore in Fiscal 2021. The decrease was due to decrease by 14.07% from ₹3.27 crore in Fiscal 2020 to ₹2.81 crore in Fiscal 2021 in interest income.

Total Expenses: Our total expenses increased by 45.69% from ₹418.95 crore in Fiscal 2020 to ₹610.39 crore in Fiscal 2021. The increase was primarily due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed increased by 45.77% from ₹333.54 crore in Fiscal 2020 to ₹486.21 crore in Fiscal 2021. The increase was due to increase in revenue from operations as the Company received more order during Fiscal 2021 and therefore, there was a corresponding increase in the requirement of raw material.

- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finished goods and work-in-progress increased by 40.91% from ₹(68.27) crore in Fiscal 2020 to ₹(40.34) crore in Fiscal 2021. This was primarily due to reduction in the holding period of finished goods and process time of work-in-progress to finished goods in Fiscal 2021 compared to Fiscal 2020.

- *Employees benefits expenses:* Our employee benefits expenses decreased by 0.17% from ₹71.50 crore in Fiscal 2020 to ₹71.38 crore in Fiscal 2021. The decrease was primarily due to a 27.23% decrease in directors' remuneration from ₹2.46 crore in Fiscal 2020 to ₹1.79 crore in Fiscal 2021 and 14.35% decrease in staff welfare expense from ₹2.02 crore in Fiscal 2020 to ₹1.73 crore in Fiscal 2021.

- *Finance Costs:* Our finance costs increased by 173.29% from ₹8.46 crore in Fiscal 2020 to ₹23.12 crore in Fiscal 2021. The increase was due to increase in production which required additional working capital funds from financial institutions the Company availed during Fiscal 2021.

- *Depreciation and amortization expenses:* Our depreciation and amortization expenses decreased by 8.62% from ₹25.76 crore in Fiscal 2020 to ₹23.54 crore in Fiscal 2021. The decrease was due to depreciation on assets being provided on a written down value at the beginning of the Financial Year.

- *Other expenses:* Our other expenses decreased by 3.11% from ₹47.96 crore in Fiscal 2020 to ₹46.47 crore in Fiscal 2021. The decrease was due to, *inter alia*, (i) 32.77% decrease in rates and taxes from ₹1.19 crore in Fiscal 2020 to ₹0.80 crore in Fiscal 2021; (ii) 112.16% increase in insurance expense from ₹0.74 crore in Fiscal 2020 to ₹1.57 crore in Fiscal 2021; and (iii) 57.14% decrease in business promotion expenses from ₹1.05 crore in Fiscal 2020 to ₹0.45 crore in Fiscal 2021.

Profit/ (loss) before tax: Our profit before tax decreased by 31.52% from ₹60.43 crore in Fiscal 2020 to ₹41.38 crore in Fiscal 2021.

Income tax expense:

- *Current tax:* Our current tax decreased from ₹20.00 crore in Fiscal 2020 to ₹11.51 crore in Fiscal 2021. The decrease was due to decrease in the profit before tax from Fiscal 2020 to Fiscal 2021.

- *Tax of earlier years:* Our tax of earlier years was Nil in Fiscal 2020 and ₹(0.32) crore in Fiscal 2021. The change was due to adjustments made for provisions created in the earlier years.

- *Deferred tax:* Our deferred tax income decreased from ₹4.90 crore in Fiscal 2020 to ₹1.49 crore in Fiscal 2021. The decrease was due to difference in timings for items that were allowed as per the Income Tax Act, 1961 and as per the Companies Act, 2013.

Net profit/ (loss) for the year: Our net profit for the year decreased by 34.49% from ₹44.04 crore in Fiscal 2020 to ₹28.85 crore in Fiscal 2021.

Total other comprehensive income/ (loss) for the year, net of tax: The total other comprehensive loss, net of tax for Fiscal 2020 was ₹(0.72) crore while the total other comprehensive income, net of tax for Fiscal 2021 ₹0.09 crore. The income gained during Fiscal 2021 was primarily due to remeasurement of post-employment benefit obligations of the Company.

Total comprehensive income for the year: The total comprehensive income decreased by 33.17% from ₹43.32 crore in Fiscal 2020 to ₹28.95 crore in Fiscal 2021. The decrease was primarily due to decrease in net profit for the year.

Summary of Results of Operations for the nine month periods ended December 31, 2022 and 2021

The summary of our results of operations and analysis thereof, including as a percentage of total income, for the nine month periods ended December 31, 2022 and December 31, 2021 are stated below.

Particulars	For the nine months ended December 31, 2022		For the nine months ended December 31, 2021	
	₹ in crore	Percentage of Total Income (%)	₹ in crore	Percentage of Total Income (%)
Income				
Revenue from Operations	557.07	99.20	511.02	99.12
Other Income	4.51	0.80	4.54	0.88
Total Income	561.58	100	515.56	100
Expenses				
Cost of materials consumed	359.63	64.04	435.43	84.45
Changes in inventories of finished goods and work-in-progress and stock-in-trade	(20.62)	3.67	(79.97)	15.51
Employees benefits expense	67.79	12.07	55.37	10.74
Finance costs	20.89	3.71	16.51	3.20
Depreciation and amortization expenses	17.38	3.09	15.85	3.07
Other expenses	36.93	6.57	36.63	7.10
Total Expenses	482.00	85.82	479.82	93.07
Profit/ (Loss) before tax and share of profit from Joint Venture and Associate	79.58	14.17	35.74	6.93
Share of Profit/ (loss) from Joint Venture and Associate accounted for using the equity method	(1.59)	0.28	(1.10)	0.21
Profit/ (loss) before tax	77.99	13.89	34.63	6.72
Tax expense				
- Current tax	22.09	3.93	11.70	2.27
- Tax of earlier years	0.48	0.09	-	-
- Deferred tax	(0.88)	0.15	(4.04)	0.78
Net profit/ (loss) for the period	56.31	10.02	26.97	5.23
Other comprehensive income				
a) Items that will not be reclassified to profit or loss				
(i) Remeasurements of post-employment benefit obligations	0.82	0.15	1.20	0.23
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.21)	0.04	(0.30)	0.06
b) Items that will be reclassified to profit or loss				
(i) Exchange differences on translation of foreign operations	0.58	0.10	0.04	Negligible
Total other comprehensive income/ (loss)	1.20	0.21	0.94	0.18
Total comprehensive income	57.50	10.24	27.91	5.41
Profit for the period attributable to				
- Owners of the Company	56.31	10.03	26.97	5.23
- Non-controlling interest	-	-	-	-
Other comprehensive income attributable to				
- Owners of the Company	1.20	0.21	0.94	0.18
- Non-controlling interest	-	-	-	-
Total comprehensive income attributable to				
Owners of the Company	57.50	10.24	27.91	5.41
Non-controlling interest	-	-	-	-

Total income: Our total income increased by 8.93% from ₹515.56 crore for the nine month period ended December 31, 2021 to ₹561.58 crore for the nine month period ended December 31, 2022. The increase was primarily due to the following factors:

- *Revenue from Operations:* Our revenue from operations increased by 9.01% from ₹511.02 crore for the nine month period ended December 31, 2021 to ₹557.07 crore for the nine month period ended December 31, 2022. The increase was due to increased demand for our products in the domestic market.

- *Other Income:* Our other income decreased by 0.66% from ₹4.54 crore for the nine month period ended December 31, 2021 to ₹4.51 crore for the nine month period ended December 31, 2022. The decrease was due to exchange rate fluctuation during the period.

Total Expenses: Our total expenses increased by 0.45% from ₹479.82 crore for the nine month period ended December 31, 2021 to ₹482.00 crore for the nine month period ended December 31, 2022. The increase was primarily due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed increased by 17.41% from ₹435.43 crore for the nine month period ended December 31, 2021 to ₹359.63 crore for the nine month period ended December 31, 2022. The decrease was due to higher proportion of domestic sales compared to export sales.

- *Changes in inventories of finished goods and work-in-progress and stock-in-trade:* Changes in inventories of finished goods and work-in-progress increased by 74.21% from ₹(79.97) crore for the nine month period ended December 31, 2021 as compared to ₹(20.62) crore for the nine month period ended December 31, 2022. This increase was due to reduction in the holding period of finished goods and process time of work-in-progress to finished goods during the nine month period ended December 31, 2022 compared to the previous period.

- *Employees benefits expenses:* Our employee benefits expenses increased by 22.43% from ₹55.37 crore for the nine month period ended December 31, 2021 to ₹67.79 crore for the nine month period ended December 31, 2022. The increase was due to an increase in the number of employees and annual increments handed out to the employees.

- *Finance Costs:* Our finance costs increased by 26.59% from ₹16.51 crore for the nine month period ended December 31, 2021 to ₹20.90 crore for the nine month period ended December 31, 2022. The increase was due to interest provided for on advances received from customers.

- *Depreciation and amortization expenses:* Our depreciation and amortization expenses increased by 9.65% from ₹15.85 crore for the nine month period ended December 31, 2021 to ₹17.38 crore for the nine month period ended December 31, 2022. The increase was due to depreciation provided on asset additions made during the nine month period ended December 31, 2022.

- *Other expenses:* Our other expenses increased by 0.82% from ₹36.63 crore for the nine month period ended December 31, 2021 to ₹36.93 crore for the nine month period ended December 31, 2022. The increase was due to increase in power and fuel cost and travel and conveyance expenses.

Profit/ (loss) before tax: Our profit before tax increased by 125.21% from ₹34.63 crore for the nine month period ended December 31, 2021 to ₹77.99 crore for the nine month period ended December 31, 2022.

Income tax expense:

- *Current tax:* Our current tax increased from ₹11.07 crore for the nine month period ended December 31, 2021 to ₹22.09 crore for the nine month period ended December 31, 2022. The increase was due to increase in profit before tax of the Company.

- *Tax of earlier years:* Our tax of earlier years increased from nil for the nine month period ended December 31, 2021 to ₹0.48 crore for the nine month period ended December 31, 2022. The increase was due to inadequate provisions made in the earlier years on account of income tax.

- *Deferred tax:* Our deferred tax expense increased from ₹(4.04) crore for the nine month period ended December 31, 2021 to ₹(0.88) crore for the nine month period ended December 31, 2022. The increase was due to increase in profits of the Company.

Net profit/ (loss) for the period: Our net profit for the year increased by 108.79% from ₹26.97 crore for the nine month period ended December 31, 2021 to ₹56.31 crore for the nine month period ended December 31, 2022.

Total other comprehensive income/ (loss) for the period: The total other comprehensive income increased by was ₹0.94 crore for the nine month period ended December 31, 2021 while it was ₹1.20 crore for the nine month period ended December 31, 2022. The increase was primarily due to remeasurement of post-employment benefit obligations of the Company.

Total comprehensive income for the period: The total comprehensive income increased by 106.02% from ₹27.91 crore for the nine month period ended December 31, 2021 to ₹57.50 crore for the nine month period ended December 31, 2022. The increase was primarily due increase in net profit for the period.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESERVES

Cash Flows

The table below summarises our consolidated cash flows for the nine months ended December 31, 2022 and 2021 and the Financial Years 2022, 2021 and 2020:

(₹ in crore)

Particulars	For the nine months ended December 31		For the Financial Year ended March 31		
	2022	2021	2022	2021	2020
Net cash generated from / (used in) operating activities	(110.52)	5.63	114.67	(26.38)	(31.50)
Net cash flow/ (used in) investing activities	(17.66)	(20.05)	(25.97)	(0.76)	(5.99)
Net cash from/ (used in) financing activities	111.65	8.98	(78.74)	35.58	36.77
Net increase/ (decrease) in cash and cash equivalents	(16.52)	(5.44)	9.96	8.43	(0.73)
Cash and cash equivalents at the end of the period	10.96	12.08	27.48	17.52	9.08

Operating Activities:

For the nine months period ended December 31, 2022, our net cash used in operating activities was ₹110.52 crore which primarily comprised of (i) profit for the period of ₹77.99 crore which was adjusted for, among other things, ₹17.38 crore depreciation and amortization expense, ₹20.90 crore finance cost and ₹1.59 crore share of loss from joint venture and associate; (ii) changes in working capital comprising, *inter alia*, decrease in trade receivables of ₹114.29 crore, decrease in inventories of ₹16.56 crore and increase in current assets of ₹6.38 crore; and (iii) income tax paid of ₹17.40 crore

For the nine months period ended December 31, 2021, our net cash used in operating activities was ₹5.63 crore which primarily comprised of (i) profit for the period of ₹34.63 crore which was adjusted for, among other things, ₹15.85 crore depreciation and amortization expense, ₹16.51 crore finance cost and ₹1.10 crore share of loss from joint venture and associate; (ii) changes in working capital comprising, *inter alia*, increase in trade receivables of ₹47.47 crore, decrease in inventories of ₹107.76 crore, decrease in contract liabilities of ₹5.02 crore and increase in trade payable of ₹4.81 crore; and (iii) income tax paid of ₹15.72 crore.

For Fiscal 2022, our net cash generated from operating activities was ₹114.67 crore which primarily comprised of (i) profit for the year of ₹50.21 crore which was adjusted for, among other things, ₹22.04 crore depreciation and amortisation expenses, ₹21.09 crore finance cost and ₹4.24 crore from changes in expected credit loss; (ii) changes in working capital comprising, *inter alia*, increase in inventories of ₹89.73 crore, decrease in trade receivables of ₹57.58 crore, decrease in other current assets of ₹27.03 crore and increase in contract liabilities of ₹24.94 crore; and (iii) income tax paid of ₹20.82 crore.

For Fiscal 2021, our net cash used in operating activities was ₹(26.38) crore which primarily comprised of (i) profit before tax for the year of ₹38.55 crore which was adjusted for, among other things, ₹23.54 crore depreciation expense and ₹23.12 crore finance cost; (ii) changes in working capital comprising, *inter alia,* increase in inventories of ₹46.06 crore, increase in trade receivables of ₹14.96 crore, decrease in trade payables of ₹23.46 crore; and (iii) income tax paid of ₹7.78 crore.

For Fiscal 2020, our net cash used in operating activities was ₹(31.50) crore which primarily comprised of (i) profit before tax for the year of ₹59.14 crore which was adjusted for, among other things, ₹25.76 crore depreciation expense, ₹8.46 crore finance cost and ₹3.77 crore from changes in expected credit los; (ii) changes in working capital comprising, *inter alia*, increase in inventories of ₹143.78 crore, increase in trade receivables of ₹56.30 crore, increase in other current assets ₹68.37 crore and increase in contract liabilities of ₹152.79 crore; and (iii) income tax paid of ₹17.89 crore.

Investing Activities:

For the nine months period ended December 31, 2022, our net cash flow used in investing activities was ₹17.66 crore which was primarily payment for property, plant and equipment (including capital work-in-progress, investment property under progress and capital advance) of ₹13.59 crore, proceeds from investment in margin money deposits against bank guarantees and movement in unpaid dividend account of ₹5.88 crore and interest received of ₹1.78 crore

For the nine months period ended December 31, 2021, our net cash flow used in investing activities was ₹20.05 crore which was primarily payment for property, plant and equipment (including capital work-in-progress, investment property under progress and capital advance) of ₹25.04 crore, proceeds from sale of current investments of ₹14.58 and proceeds from investment in margin money deposits against bank guarantees and movement in unpaid dividend account of ₹11.17 crore.

For Fiscal 2022, our net cash flow used in investing activities was ₹25.97 crore which was primarily payment for property, plant and equipment of ₹27.94 crore and investment in margin money deposits against bank guarantees of ₹14.74 crore.

For Fiscal 2021, our net cash flow used in investing activities was ₹0.76 crore which was primarily proceeds for maturity of margin money deposits against bank guarantee of ₹5.09 crore and investment in equity shares of joint ventures of ₹3.75 crore.

For Fiscal 2020, our net cash flow used in investing activities was ₹5.99 crore which was primarily payments for property, plant and equipment of ₹19.42 crore, purchase of current investments of ₹215.00 crore and proceeds from sale of current investments of ₹225.51 crore.

Financing Activities:

For the nine months period ended December 31, 2022, our net cash flow from financing activities was ₹111.65 crore which primarily comprised of *inter alia*, proceeds from short term borrowings of ₹139.75 crore, finance cost paid of ₹139.30 crore and dividend paid of ₹121.95 crore.

For the nine months period ended December 31, 2021, our net cash flow from financing activities was ₹8.98 crore which primarily comprised of *inter alia*, proceeds from long-term borrowings of ₹141.41 crore, proceeds from short term borrowings of ₹17.23 crore and dividend paid of ₹10.43 crore.

For Fiscal 2022, our net cash flow used in financing activities was ₹(78.74) crore which primarily comprised of, *inter alia*, proceeds from short term borrowings of ₹944.36 crore and repayment of short term borrowings of ₹1,010.11 crore.

For Fiscal 2021, our net cash flow from financing activities was ₹35.58 crore which primarily comprised of, *inter alia*, proceeds from short term borrowings of ₹988.71 crore and repayment of short term borrowings of ₹922.02 crore.

For Fiscal 2020, our net cash flow from financing activities was ₹36.77 crore which primarily comprised of, *inter alia*, proceeds from short term borrowings of ₹1,024.09 crore and repayment of short term borrowings of ₹971.77 crore.

Borrowings

As of December 31, 2022, our consolidated indebtedness is set out below:

(₹ in crore)

Particulars	As of December 31, 2022
Non-current	
Secured	-
Total	-
Current	
Secured	
Working capital loans	151.50
Cash credit facility	44.04
Current Maturities of long term debt	12.64
Total	208.18
Total borrowings	**208.18**

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as on December 31, 2022:

(₹ in crore)

Particulars	As of December 31, 2022
Corporate guarantee on behalf of Astra Rafael Comsys Pvt. Ltd.	7.50
Disputed excise duty matters	2.48
Income tax penalty	0.92
Total	**10.90**

Additions to property, plant and equipment

Our additions to property, plant and equipment were as follows:

(₹ in crore)

Financial Year/ Period	Capital Expenditure
Fiscal 2022	28.13
Fiscal 2021	15.58
Fiscal 2020	9.63

Our fixed assets primarily constitute buildings, land, plant and machinery and computers.

Capital Commitments

The estimated amounts of capital contracts remaining to be executed and not provided for as of March 31, 2022 and December 31, 2022 amounted to ₹1.23 crore and ₹17.48 crore, respectively.

Qualitative Disclosure about Risks and Risk Management

Raw material cost risk

Our operations are exposed to fluctuations in the market price of various materials utilised in our projects, including capacitors, resistors, diodes, transistor, integrated circuit, inductors, connectors, amplifiers, antennas, adoptors. The market price or cost of some of these raw materials are closely linked to demand and supply of the raw material, availability of the raw material at the project location, cost of transportation etc and any significant upward fluctuations may result in an increase in the price at which we source these raw materials.

Interest Rate Risk

As of December 31, 2022, a part of the indebtedness incurred by us carried interest at floating rates with the provision for periodic reset of interest rates and thus, we are exposed to market risk as a result of changes in interest rates. Upward fluctuations in interest rates increase the cost of both existing and new debts. It is likely that in the current Fiscal and in future periods, our borrowings and interest expenses may rise substantially, given our growth plans.

Foreign currency exchange risk

We may incur capital expenditure including cost of procuring equipment and machinery, in currencies other than in the Indian Rupee. Although we have historically hedged our foreign currency exposure, any significant decline in the value of the Indian Rupee against foreign currencies may nevertheless lead to an increase in our costs and expenditures.

Credit Risk

We are exposed to credit risk on amounts owed to us by our distributors or customers. If they do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Labour costs

Cost of labour constitutes a sizeable part of our operating expenses. Any increase in the labour expenses will increase our costs and could result in reduced margins.

Reservations, qualifications or adverse remarks by Statutory Auditors

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2018, 2019, 2020, 2021 and 2022 and the nine months ended December 31, 2022, except as set out below. Our auditors have not qualified their opinions for any of the years in respect of the matters set out below:

- The Financial Year 2020 Audited Consolidated Financial Statements contains the following matter of emphasis:

  The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication.

  Except for the delay due to the lockdown announced by the government, the Company has managed uninterrupted services to its Customers till date and will continue the same for the next 3 to 6 weeks based on Raw Material stocks available at the plant. The Company is able to continue their operations and supply chain with approximately 50% less workforce and following all precautions and compliance to COVID19.

  Further, the company has carried out an assessment of the following based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions:

  a) Going concern - based on the available cash flows and approved annual operating plan;

  b) the recoverability of receivables – considering past experience and communication with the customers;

  c) investments in Joint venture, inventories and carrying value of property, plant and equipment - expects to recover the carrying amount of these assets as at the balance sheet date.

  Based on the assessment management has concluded that there are no material adjustments required in the financial statements.

  The management has conducted the physical verification of inventories subsequent to the year end and the auditors have observed the physical verification. Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

- The Financial Year 2021 Audited Consolidated Financial Statements contains the following matter of emphasis:

  The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The group is engaged in the business of design, development and management of sub-systems for Radio frequency and microwave systems used in defence, space, meteorology and telecommunication; manufacture, supply, installations and 176 service of electronic machinery, components, spares and other electronic parts; defence communication and specific Electronic Warfare; designing, developing, manufacturing and dealing in space crafts, launching vehicles, robots for the sectors of aviation and aerospace, deep space, defence and internal security.

  Except for the delay due to the lockdown announced by the government, the Company has managed uninterrupted services to its Customers till date and will continue the same for the next 3 to 6 weeks based on Raw Material stocks available at the plant. The Company is able to continue their operations following all precautions and compliance to COVID19 instructions.

  Further, the company has carried out an assessment of the following based on certain assumptions, cumulative knowledge and understanding of the business, current indicators of future economic conditions:

a) Going concern - based on the available cash flows and approved annual operating plan;
b) the recoverability of receivables – considering past experience and communication with the customers;
c) investments in Joint venture, inventories and carrying value of property, plant and equipment - expects to recover the carrying amount of these assets as at the balance sheet date.

Based on the assessment management has concluded that there are no material adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The group will continue to monitor any material changes to future economic conditions

- The Unaudited Interim Condensed Consolidated Financial Statements contains the following matter of emphasis:

  The Unaudited Interim Condensed Consolidated Financial Statements has been prepared by the Group's (defined as the Company and its Subsidiaries) Management in compliance with the Indian Accounting Standard 34, Interim Financial Reporting specified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Unaudited Interim Condensed Consolidated Financial Statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared.

Also see, "*Risk Factors - Our statutory auditors have included certain emphasis of matters in relation to our Company in our Financial Year 2021 Audited Consolidated Financial Statements, Financial Year 2020 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements*" on page 44.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2022

Except as set out in this Preliminary Placement Document, to our knowledge, no circumstances have arisen since the date of the last consolidated financial statements as disclosed in this Preliminary Placement Document which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

The information contained in this section is taken from the report titled "Assessment of Indian Defence Equipment Manufacturing Industry" dated February 2023 prepared by CRISIL Limited and commissioned by our Company from CRISIL Limited. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

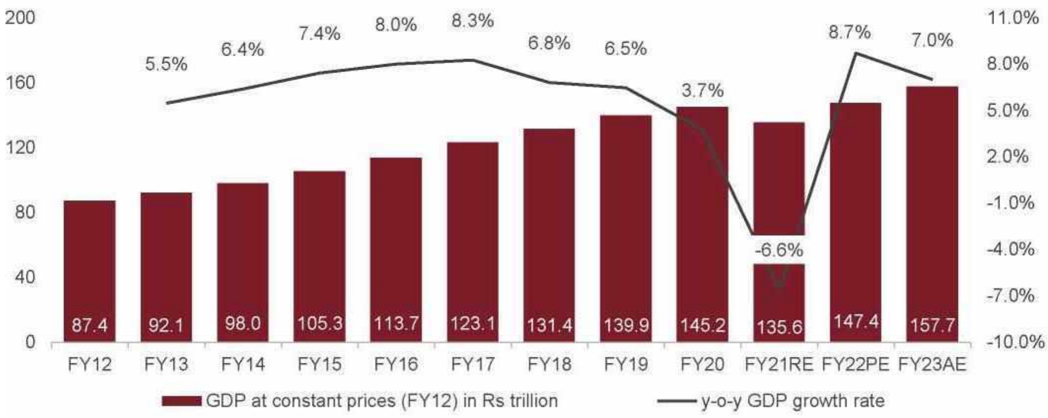
Macroeconomic overview of India

India's GDP growth logged 5.4% CAGR over fiscals 2012-2022

In 2015, the Ministry of Statistics and Programme Implementation (MoSPI) changed the base year for calculating India's Gross domestic product (GDP) from fiscal 2005 to fiscal 2012. Based on this, the country's GDP growth logged a 10-year CAGR of 5.4%, reaching Rs 147 trillion in fiscal 2022 from Rs 87 trillion in fiscal 2012.

In fiscal 2022, the economy recovered from the pandemic-related stress, aided by the resumption of economic activities and less stringent restrictions related to Covid-19. However, the economy faced challenges in the last quarter of fiscal 2022 owing to geopolitical pressures, resulting in higher inflation levels. With the resumption of economic activities and healthy trade flow, GDP growth was at a healthy 8.7%, albeit on a low base.

Real GDP growth in India (new series)



Note: PE: Provisional estimates; RE: Revised estimates; AE: Advance estimates

Source: Provisional Estimates of National Income, 2021-22, Central Statistics Office (CSO), MoSPI, CRISIL MI&A

CRISIL estimates India's GDP to grow 7.0% in fiscal 2023

Global growth is projected to slow as central banks in major economies withdraw easy monetary policies to tackle high inflation. The second quarter fiscal 2023 data reflected how global slowdown had begun to spill over to the Indian economy. Long-term growth movements suggest that despite diverging now, India's growth cycles have been remarkably synchronised with that of advanced economies since the 2000s. Major developed economies are expected to fall into a shallow recession by next year. S&P Global expects the United States GDP to swerve from a growth of 1.8% in 2022 to negative 0.1% in 2023, and the European Union from 3.3% to 0%. This will weaken the export prospects for India, thereby weighing on domestic industrial activity.

And while domestic demand has stayed relatively resilient so far, it would be tested next year by the weakening industrial activity. It will feel the pressure from increasing transmission of interest rate hikes to consumers as well, and as the catch-up in contact-based services fades. Also, rural income prospects remain dependent on the vagaries of weather. Therefore, increasing frequency of extreme weather events remains a key monitorable. While lowering demand for the Mahatma Gandhi National Rural Employment Guarantee Act jobs is an encouraging sign for the rural economy from a job perspective, depressed wages are a matter of concern for rural demand. Because of these factors, CRISIL projects GDP growth to slow to 6% in fiscal 2024 from 7% in fiscal 2023, with risks to the downside.

Real GDP growth (% on-year)

Note: RE: Revised estimates, PE: Provisional estimates, P: Projected
Source: Advance Estimates of National Income, 2020-21, CSO, MoSPI, CRISIL MI&A

Macroeconomic overview of Indian defence industry

Review of budget allocation for defence sector in India

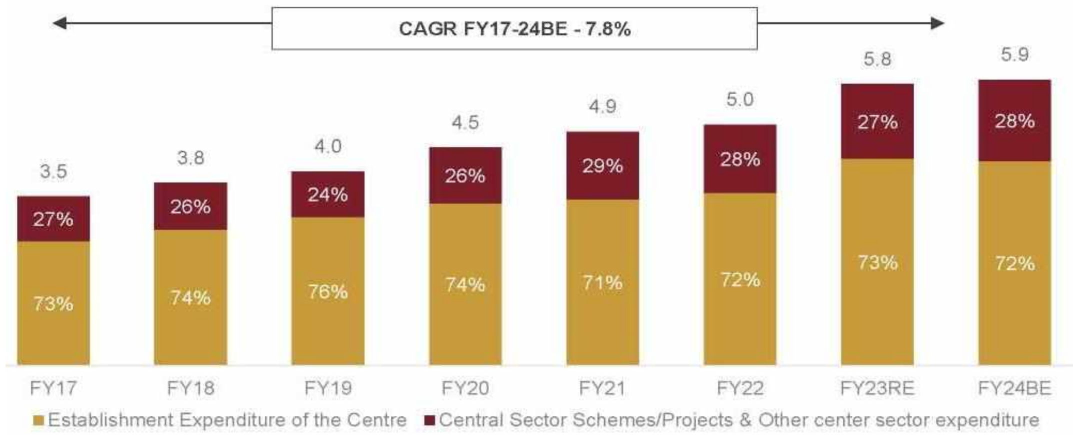
India contributes to 3.7% of the total global military expenditure (as of CY22), making it one of the largest military spenders in the world. India's total defence expenditure accounted for 2.1% of the GDP (at current prices) as of fiscal 2022.

As per the budget estimates (BE) for fiscal 2024, ₹5.9 trillion has been allocated under defence budget. From fiscals 2017-2024 BE, the Indian defence budget has seen a CAGR of 7.8%. Of the overall defence budget, establishment expenditure occupies the lion's share of 70-75%, while the rest is contributed by central sector schemes/projects and other central sector expenditure.

Overview of Indian defence expenditure (FY17-FY24BE)

Rs trillion

Establishment expenditure of the Centre: **CAGR (FY17-FY24E)**: **4%**
Central sector schemes/projects & other central sector expenditure: **CAGR (FY17-FY24E): 9.4%**



RE: Revised estimate, BE: Budget estimate
Source: CRISIL MI&A

Though the allocation for establishment expenditure of the Centre has seen a growth in line with overall defence budget at 7.4%, the allocation for central sector schemes/projects and other central sector expenditure, has witnessed a higher growth of 9.4%, indicating the government's thrust towards the defence sector.

Overview of budget allocation for defence sector in Union Budget 2023-24

Among the ministries, the Ministry of Defence has the highest allocation at ₹5.9 trillion for fiscal 2024, accounting for 13.2% of the overall budgeted expenditure by the Indian government. Allocation to the Ministry of Defence has seen an on-year growth of 1.5% compared with revised estimates (RE) of fiscal 2023 and 13.0% on budgeted allocation during the same period.

Key highlights

- For fiscal 2024, the government has increased the non-salary revenue/operational allocation to Rs 900 billion (~15% of total defence budget) compared with ₹624.31 billion in budget 2022-23 BE, up 44.2%. This is used to cater to the sustenance of weapon systems, platforms including ships/aircraft, and their logistics; boost fleet serviceability; emergency procurement of critical ammunition and spares; procuring/hiring of niche capabilities to mitigate capability gaps wherever required; progress stocking of military reserves; and strengthening forward defences, amongst others.

- Further, the capital outlay pertaining to modernisation and infrastructure development of the defence services has been increased to ₹1,626 billion (~27% of total defence budget), representing a rise of 8.4% over budget 2022-23 RE and 6.7% rise over the BE. The highest allocation is seen by the Indian Air Force at Rs 571.4 billon, while the Indian Army saw the highest rise in allocation of around 14.2% over budaet 2022-23 RE and 16.3% rise over the BE.

- Capex for defence services has seen an increase of 7% over budget 2022-23 RE and 8% rise over the BE reaching a value of ₹1,744.75 billion.

- Defence budget outlay towards research and development has seen an allocation of Rs 232.64 billion, which is an increase of ~9% from the BE. To bolster the support, the government has allocated an outlay of Rs 1.16 billion towards Innovations for Defence Excellence (iDEX) and ₹0.45 billion towards DTIS.

- To give a boost to the MSMEs associated with the defence sector, the government announced a revamped credit guarantee scheme for MSMEs, which will be effective from April 1,2023, through infusion of Rs 90 billion under the budget, enabling additional collateral-free guaranteed credit of ₹2 trillion.

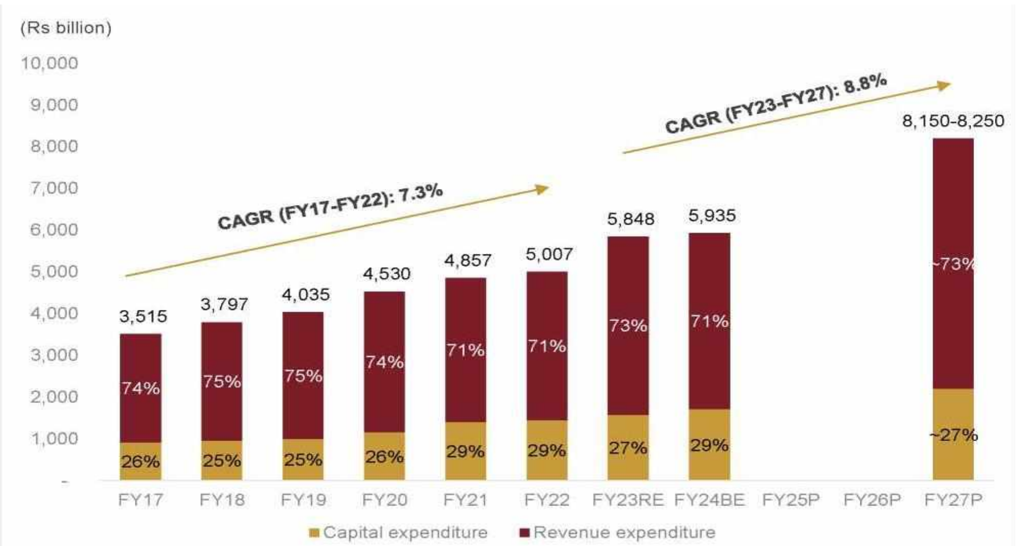
- To strengthen the infrastructure in border areas, especially the northern borders of India, the government has allocated Rs 50 billion to the Border Roads Organisation under the current budget. Through this, the government envisages to boost the border infrastructure, thereby creating strategically important assets like Sela Tunnel, Nechipu Tunnel, and Sela-Chabrela Tunnel and enhancing border connectivity.

Defence expenditure budget to reach ~2.0% of GDP by FY27, from ~2.1% in FY22

CRISIL estimates the defence expenditure budget to reach ~2.0% of GDP (current prices) by fiscal 2027 from 2.1% in fiscal 2022. The expenditure is estimated to see a CAGR of ~8.8% during fiscals 2023-2027 supported by various initiatives of the Government of India to increase indigenisation of defence equipment, develop defence industrial corridors, increase FDI limit, and bolster exports through schemes such as Defence Acquisition Procedure (DAP 2020) and Defence Offset Policy.

On an average, from FY17-24 the capital expenditure has been ~27% of the total defence expenditure while the revenue expenditure has been average ~73% over the same period. Revenue expenditure is the expense incurred by the government for the short-term operational expenses and liabilities. This expenditure does not create any assets. Capital expenditure is incurred by the government to develop and acquire long term assets such as infrastructure (highways, airports, ports etc), military procurements (aircrafts, ships, weapons etc) etc.

Total expenditure under Indian defence sector, FY17-FY27P

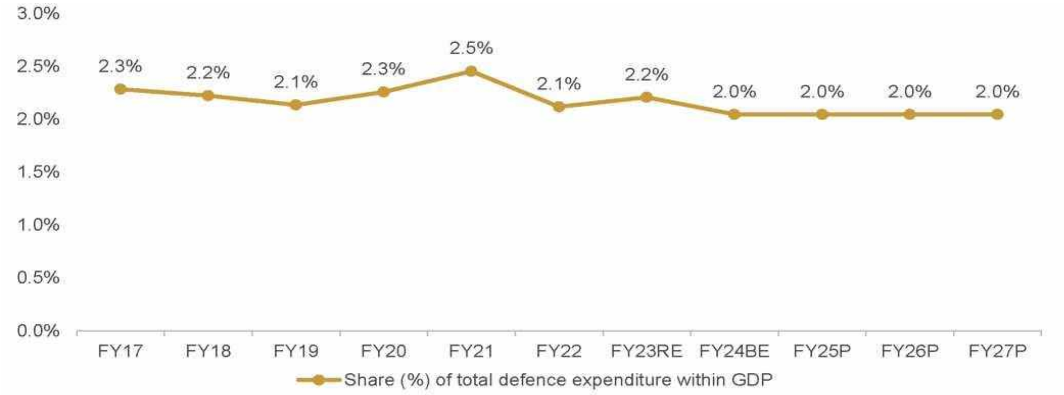


RE: Revised estimate, BE: Budget estimate, P: Projections

Note: In FY27, the share (%) of capital expenditure and revenue expenditure has been considered based on the average share (%) of the two components over FY17-24 within the total defence expenditure

Source: Ministry of Finance, CRISIL MI&A

Total expenditure under Indian defence sector as a percentage of GDP (current prices), FY17-FY27P



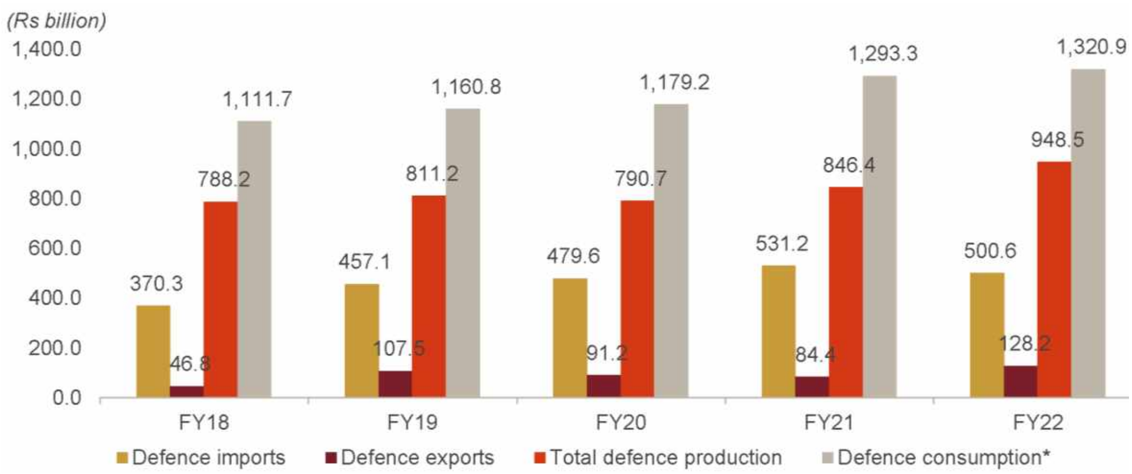
RE: Revised estimate, BE: Budget estimate, P: Projections Source: Ministry of Finance, CRISIL MI&A

Domestic production accounted for ~62% of defence consumption of India as of FY22

The domestic defence industry has grown significantly. It accounts for 62% (after adjusting exports) of the domestic defence consumption. Growth of the indigenous industry is also evident from the increase in exports. Over fiscals 2018-2022, exports clocked a CAGR of 28.6%, while imports grew at 7.8%. Defence production grew at 4.7% during the period.

With efforts towards indigenisation and self-reliance in the defence sector, the share of imports in domestic consumption is expected to drop over the coming years. Exports are expected to grow strongly as well on account of policy support such as the Defence Production & Export Promotion Policy, 2020. The policy focuses on aero engines, maintenance along with repair and overhaul (MRO) industry, and critical technologies and materials.

Indian defence sector's imports, exports and total defence production, FY18-FY22



Note: Imports include foreign procurement comprising procurements made towards purchase of defence stores/equipment under both revenue and capital segments

Consumption is defined as imports plus production minus exports

Source: Ministry of Defence, CRISIL MI&A

Government has introduced various reforms Atmanirbhar Bharat to boost the defence industry

The government has been constantly pushing for self-reliance in the defence industry through various schemes. These include the Positive Indigenisation Lists (import embargo), DAP 2020, revised Defence Offset Policy, industrial corridors, initiatives for promotion of innovation/R&D, etc.

Share of domestic procurement in total procurement has been on an uptrend. In fiscal 2019, domestic procurement stood at 54% of total procurement. This figure jumped to 59% in fiscal 2020 and to 64% in fiscal 2021. In FY23, it has increased to 68%, of which, 25% has been earmarked for procurement from the private industry. With the government thrust on indigenisation and procurement of defence products from domestic resources, expenditure on defence procurement from foreign sources has reduced from 46% to 36% in the past four years, i.e., from fiscals 2019 to 2022. Till October 2022, 595 industrial licences were issued to 366 companies operating in the defence sector.

On account of these reforms, the government has laid down a target of $5 billion in defence exports and $22 billion in defence production by 2025.

DAP is a key policy driver for the domestic defence industry

The DAP, erstwhile Defence Procurement Procedure, is aimed at ensuring timely acquisition of military equipment, systems and platforms as required by the Armed Forces in terms of performance, capabilities and quality standards, through optimum utilisation of the allocated budgetary resources. While enabling the same, the DAP will provide for the highest degree of probity, public accountability, transparency, fair competition and level-playing field.

Capital acquisition schemes are broadly classified as buy, buy and make, leasing, make, design and development (D&D), and strategic partnership model (SPM). Under the buy scheme, procurements are categorised as buy (Indian - indigenously designed, developed and manufactured or IDDM), buy (Indian), and buy (global). Under the buy and make scheme, procurements are categorised as buy and make (Indian) and buy (global - manufactur*e* in India). The categories, except make, leasing, D&D and SPM, have been prioritised based on their relative importance towards indigenisation. The categories in the decreasing order of priority are:

- Buy (Indian - IDDM)
- Buy (Indian)
- Buy and make (Indian)
- Buy (global - manufacture in India)
- Buy (global)

Additionally, the Ministry of Defence has notified a list of weapons/platforms banned for import, as updated from time to time on the ministry website and guidelines thereon, and Service Headquarters (SHQ) will ensure that no weapon/platform figuring on the list is procured through imports. These equipment may, therefore, be procured under the buy (Indian - IDDM), buy (Indian), buy and make (Indian) only if buy quantities are zero, and buy (global - manufactur*e* in India) only if buy quantities are zero.

The acquisition categories are defined below:

1. **Buy (Indian - IDDM):** The category refers to the acquisition of products from an Indian vendor that have been indigenously designed, developed and manufactured with a minimum of 50% indigenous content (IC) on cost basis of the base contract price, i.e., total contract price less taxes and duties.

2. **Buy (Indian):** The category refers to the acquisition of products from an Indian vendor that may not have been designed and developed indigenously, having 60% IC on cost basis of the base contract price. Vendors eligible under the buy (Indian - IDDM) category will also be permitted to participate in this category with indigenous design and a minimum of 50% IC on cost basis of the base contract price.

3. **Buy and make (Indian):** This category refers to initial acquisition of equipment in the fully formed state in quantities as considered necessary, from Indian vendor(s) engaged in a tie-up with a foreign original equipment manufacturer (OEM), followed by indigenous production in a phased manner involving transfer of technology (ToT) of critical technologies as per the specified range, depth, and scope from the foreign OEM. Under this category of acquisition, a minimum of 50% IC is required on cost basis of the make portion of the contract price less taxes and duties.

4. **Buy (global - manufacture in India):** This category refers to outright purchase of equipment from foreign vendors, in quantities as considered necessary, followed by indigenous manufacture of the entire/part of the equipment and spares/assemblies/sub-assemblies/MRO facility (only in cases where these are part of the main contract) for the equipment, through its subsidiary in India/through a joint venture/through an Indian production agency (with ToT of critical technologies as per the specified range, depth and scope to the Indian production agency), meeting a minimum of 50% IC on cost basis of the base contract price. Indian vendors will be permitted to participate in buy (global - manufactured in India).

5. **Buy (global):** This category refers to outright purchase of equipment from foreign or Indian vendors. In case of procurement through foreign vendors, government-to-government route/inter-governmental agreement (IGA) may also be adopted for equipment meeting strategic/long-term requirements. Indian vendors participating in this category would be required to meet minimum 30% IC, failing which such vendors would be required to discharge offsets as applicable in the case. Foreign vendors will need to discharge offsets in all buy (global) cases with acceptance of necessity (AoN) cost of Rs 20 billion or more, other than all ab initio single-vendor cases, including procurements based on IGA/FMS.

6. **Make and innovation:** Acquisitions covered under the make and innovation including iDEX and Technology Development Fund (TDF) categories refer to equipment/systems/sub-systems/assemblies/sub-assemblies, major components, or upgrades thereof, to be designed, developed and manufactured by an Indian vendor/processed by the services through their internal organisations such as base workshops or dockyards or base repair depots, with or without participation of the private industry.

7. **D&D:** D&D cases progressed by DRDO/DPSUs/OFB for acquisitions of equipment/ systems/ sub-systems/ assemblies/ sub-assemblies, major components, or upgrades thereof, to be designed, developed and manufactured by an Indian vendor.

8. **SPM:** Acquisitions under the SPM refer to participation of private Indian firms along with a foreign OEM under in 'Make in India' in defence and playing the role of a system integrator by building an extensive eco-system comprising development partners, specialised vendors, and suppliers those from the MSME sector. Strategic partnerships will seek to enhance indigenous defence manufacturing capabilities through the private sector over and above the existina production base.

9. **Leasing:** Leasing has been introduced as a category for acquisition in addition to the existing buy and make acquisition categories as it provides for an innovative technique for financing of equipment/platforms. Leasing provides a means to possess and operate an asset without owning it and is useful to substitute huge initial capital outlays with periodical rental payments. Leasing would be permitted in two sub-categories: lease (Indian), where the lessor is an Indian entity and is the owner of the asset, and lease (global).

Defence offset policy aims to improve the domestic industry through transfer of technology

The defence offset clause was first included in Defence Procurement Procedure (DPP) 2005. Thereafter it underwent numerous revisions, the latest being in 2020. The key objective of this clause is to leverage capital acquisitions and technology to grow the Indian defence industry by fostering development of internationally competitive enterprises and augmenting capacity for R&D and design related to defence products. In other revisions in 2020, 74% FDI was allowed through the automatic route vs 49% earlier.

The offset clause is applicable for the buy (global) category of procurement where the estimated acceptance of necessity (AoN) cost is ₹20 billion or more. An Indian vendor participating in the buy (global) category is required to meet minimum 30% IC, failing which the vendor is required to discharge offsets as applicable in the case. In certain cases, the DAC may consider partial or full waiver of the offset clause. In case of a waiver for a particular acquisition case, eligible/selected Indian vendors need not be exempted from the corresponding IC stipulations.

For the buy (global) category procurements, if an Indian firm (including a joint venture or JV between an Indian company and its foreign partner) bids for the proposal, the offset clause will not be applicable if the IC in the product is more than 30%. If it is less than 30%, the Indian firm or the JV must ensure that offset obligations are fulfilled to the tune of 30% IC (must be declared upfront at the time of submission of bid). In such a case, the Indian firm will clearly delineate the IC and offset portions in the offset contract and claims. And, 30% of the estimated cost of the acquisition in the buy (global) category acquisition will be the required value of the offset obligations.

As per reports of the Standing Committee on Defence, 57 offset contracts were signed by the MoD till March 2022, involving offset obligation of ~$13.52 billion to be discharged between 2008 and 2033.

Import embargo lists circulated by MoD aims to lower imports and boost domestic industry

Several steps have been taken by the government to enhance self-reliance in indigenous design, development, and manufacturing of defence products. Four positive indigenisation lists comprising 411 (101, 108, 101 and 101, respectively) items were promulgated by the Department of Military Affairs (DMA), MoD, on August 21, 2020, May 31, 2021, April 7, 2022, and October 19, 2022, respectively. The timelines were indicated against these, beyond which the items would be procured from indigenous sources. The products have been offered to the industry for design and development.

The Department of Defence Production, MoD, notified three Positive Indigenisation Lists (PILs) of sub-systems/assemblies/sub-assemblies/components on December 27, 2021, March 28, 2022, and August 28, 2022. The first list contains 2,500 items that are already indigenised, and 351 items that have been taken up for indigenisation. The second list consists of 107 strategically important line replacement units/major sub-assemblies. The list of these items and their details are available on the SRIJAN portal for the industry. The items are notified with a timeline beyond which there would be an embargo on their import. Till date, 154 out of 235 items from the first PIL and four out of 107 items from the second PIL have already been indigenised. The third PIL contains 780 strategically important line replacement units (LRUs)/sub-systems/components.

Source: PIB, MoD

MoD initiatives to foster innovation in the defence industry

Innovations for defence excellence (iDEX)

In April 2018, the MoD launched the Innovations for Defence Excellence (iDEX) initiative under the Defence Innovation Organisation (DIO) and Technology Development Fund (TDF) under DRDO to use a multi-pronged approach and engage a large pool of innovators/technocrats/professionals/academicians, including start-ups and MSMES, to foster innovation in a coherent, strategised and integrated manner. SHQs also undertake innovations through internal R&D. The scheme provides grants/funding and other support to boost the R&D/innovation in the sector. Under iDEX, 233 problems have been identified, 310 start-ups have been engaged, 140 contracts have been signed. The iDEX Prime framework was launched in 2022 to support start-ups with grant-in-aid up to Rs 100 million to enable the development of high-end solutions.

TDF scheme

The scheme's objective is to boost defence manufacturing by encouraging the industry to innovate on relevant technologies. Along with providing grants-in-aid for the development of indigenous technology, the scheme offers various benefits. DRDO has partnered with Invest India to help the implementation of the TDF scheme and facilitate participation of MSMEs and start-ups. Invest India is the National Investment Promotion and Facilitation Agency of India, set up in 2009, as a non-profit venture under the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry. The scheme covers funding through provision of grants-in-aid to the industry. A project cost of up to Rs 100 million is considered for funding, subject to a maximum of 90% of the total project cost.

Indigenisation portal SRIJAN for inclusion of MSMEs

The Department of Defence Production has developed the srijandefence.gov.in portal to connect with the private sector for indigenising DPSUs. The portal is a non-transactional online marketplace platform. DPSUs/SHQs display items on this portal that they have imported or are going to import. Planned and targeted products for indigenisation are also listed. The private sector will be able to show its interest in these products that they can design, develop, and manufacture as per their abilities or JVs with OEMs. The platform provides opportunity for the DPSUs/SHQs to interact with the private player and vice versa. Through this portal and efforts of the Department of Defence Production, the drive for identification and indigenisation of all high value and complex spares through domestic Indian industry is well underway.

Mission Raksha Gyan Shakti

The MoD has instituted a new framework called Mission Raksha Gyan Shakti, which aims to provide boost to the IPR culture in indigenous defence industry.

Artificial intelligence in defence

As many as 75 newly developed artificial intelligence (AI) products/technologies were launched by the MoD. These products fall under various domains such as AI platform automation, autonomous/ unmanned/ robotics systems, block chain-based automation, command, control, communication, computer and intelligence, surveillance and reconnaissance, cyber security, human behavioural analysis, intelligent monitoring systems, lethal autonomous weapon system, logistics and supply chain management, operational data analytics, manufacturing and maintenance, simulators/ test equipment and speech/voice analysis using Natural Language Processing.

The Make projects

A comprehensively revamped 'Make' procedure was introduced in DAP-2020 to facilitate indigenous design and development of defence equipment via both government and industry funding.

The Make I sub-category is aimed at addressing projects involving design and development of major equipment/ systems/ platforms necessitating critical technologies and large infrastructure investment, with development periods not less than one year. Such projects involve government funding of 70%.

Make II and III categories have been customised to encourage private sector participation with provisions that lead to assured orders after successful development. In Make II, if solutions have been offered even by a single individual or a firm or a suo-moto proposal, the case can be progressed as a resultant single vendor. Once granted AIP is not retracted even if DRDO/DPSUs are developing the item. Make III, a new category, allows for manufacture of products in India as import substitution for support of weapon systems/ equipment held in the inventory of the armed services.

As per PIB release dated February 4, 2022, 63 Make projects are being co-developed with the Indian defence industry, including MSMEs and start-ups.

Defence corridors being set up in Uttar Pradesh and Tamil Nadu

India is the among the biggest military spenders and the largest defence importer with a keenness to emerge as defence manufacturing hub globally under the Make in India initiative. To enhance domestic manufacturing capacity, two defence industrial corridors are being set up in Uttar Pradesh and Tamil Nadu.

Six nodes—Agra, Aligarh, Chitrakoot, Jhansi, Kanpur and Lucknow—have been identified for developing Uttar Pradesh Defence Industrial Corridor (UPDIC). Similarly, Chennai, Coimbatore, Hosur, Salem and Tiruchirappalli have been identified for developing Tamil Nadu Defence Industrial Corridor (TNDIC). The government intends to develop the defence manufacturing ecosystem having conducive conditions, including supply chain for bolstering production as well as testing and certification to create economies of scale and facilitate development of internationally competitive enterprises in the country.

As per the information received from the Government of Uttar Pradesh for UPDIC, 105 memoranda of understandings (MoUs) have been signed with several industries worth potential investments of ₹121.39 billion. Already, ₹24.22 billion have been invested in UPDIC. About 1,608 hectare of land has been acquired for development of UPDIC. As per the information received from the Government of Tamil Nadu for TNDIC, arrangements have been made through MoUs for potential investment of ₹117.94 billion by 53 industries. ₹38.47 billion has already been invested and 910 hectare of land has been acquired.

The DICs will act as a catalyst for facilitating localised defence production and equipment for aerospace industry. The manufacturing of defence equipment locally shall reduce imports and increase exports from India. The government is banking on private participation in the industrial corridors to help achieve the goal of a self-reliant India in defence, generate direct and indirect employment opportunities, and spur growth of MSMEs and start-ups.

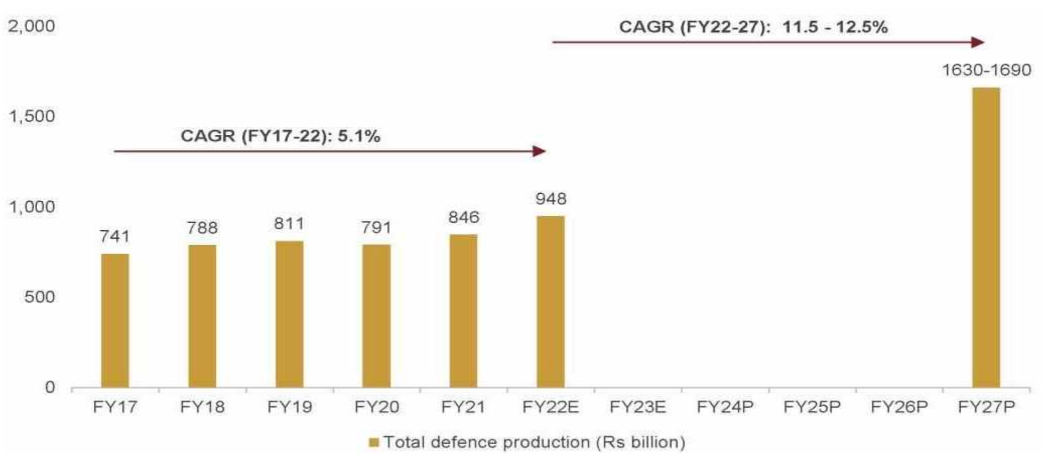
Assessment of key product segments in defence industry

Defence production to clock 9.5-10.5% CAGR over fiscals 2022-27

Over the past few years, indigenous defence production has been a key priority for the government. Various measures have been introduced to encourage the domestic defence industry. This includes, as already detailed above, raising the FDI limit to 74% from 49%, DAP-2020 (which focuses on domestic procurement), PILs, simplification of industrial licensing, the iDEX scheme, SRIJAN portal, reforms in the offset policy, transfer of technologies, etc.

Defence production in India totalled ₹948 billion in fiscal 2022, up at a CAGR 5.1% over fiscals 2017-22. It is expected to grow at 11.5-12.5% over fiscals 2022-27 to ₹1,630-1,690 billion. It will be supported by policy reforms mentioned in the previous section, strong impetus on the private sector's involvement, and infrastructure development (defence corridors in Uttar Pradesh and Tamil Nadu). The government has set a target of $5 billion exports and corresponding $22 billion defence production by 2025. The capital expenditure (capex) planned by the DPSUs will also boost domestic production. Bharat Electronics has planned a capex of ₹6-8 billion each year, Bharat Dynamics has planned a capex of 1 billion over the next two fiscals, and HAL has planned ₹20 billion for the same period.

Total defence production in India, FY17-27P



Note: E: estimated, P: projected
Source: MoD, CRISIL MI&A Consulting

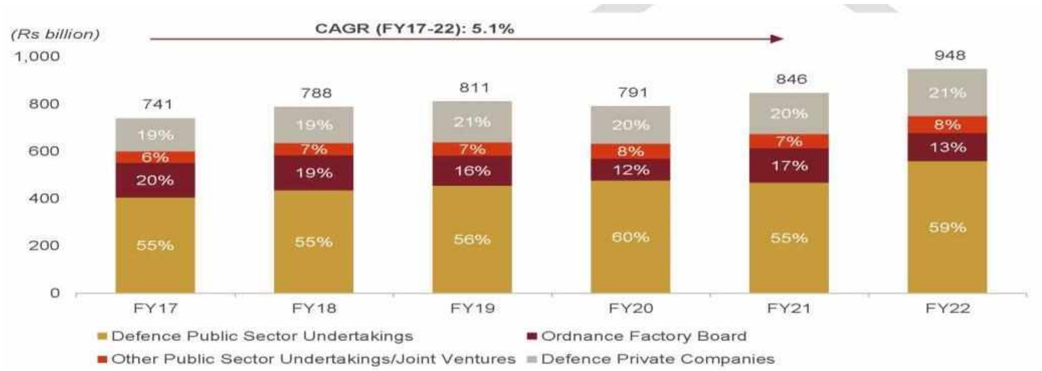
Private sector defence production logged CAGR of 7.1% over fiscals 2017-22

As of FY22, DPSUs held the largest share in the defence production at 59%, followed by private companies (21%), Ordnance Factory Board (OFB; 13%), and other PSUs/ JVs (8%).

Supported by policy support, the private sector has been growing at a slightly higher growth rate (7.1% over fiscals 2017-22) than DPSUs (6.7%). Over fiscals 2021-22, 85 new defence industrial licences were issued to the private sector. As of October 2022, the government has issued 595 industrial licences to 366 companies operating in the defence sector. Out of these, 113 companies covering 170 defence industrial licences have commenced production. Validity of the licences has been increased from 3 years to 15 years. PILs have opened new avenues of defence production for private companies and widened their scope to capture market share.

OFBs de-grew 4.3% over fiscals 2017-22, due to the conversion of OFB production units into seven DPSUs with 41 units, with effect from October 1, 2021.

Segment-wise share of total defence production in India



Source: MoD, CRISIL MI&A Consulting

Key defence companies in India

DPSUs	Private sector companies*
DRDO	• Larsen & Toubro
• It is the apex body in India for the development of defence products and technology. It is MoD's R&D wing and comprises more than 50 labs	• Godrej group
•	• Kalyani group
There are 16 central PSUs under the administrative control of the Department of Defence Production	• Mahindra group
	• Tata Advanced Systems
	• Ashok Leyland
• Hindustan Aeronautics Ltd (HAL)	• MKU
• Bharat Electronics Ltd (BEL)	• Adani group
• Bharat Dynamics Ltd (BDL)	• Astra Microwave Products Ltd
• BEML Ltd (BEML, formerly Bharat Earth Movers Ltd)	• Data Patterns (India) Ltd
• Mishra Dhatu Nigam Ltd (MIDHANI)	• Centum Electronics Ltd
• Mazagon Dock Shipbuilders Ltd (MDL)	• Alpha Design Technologies Pvt Ltd
• Garden Reach Shipbuilders and Engineers Ltd (GRSE)	• DCX Systems Ltd
• Goa Shipyard Ltd (GSL)	• Paras Defence & Space Technologies Ltd
• Hindustan Shipyard Ltd (HSL)	
• Advanced Weapons and Equipment India Ltd (AWEIL)	
• Gliders India Ltd (GIL)	
• Troop Comforts Ltd (TCL)	
• Armoured Vehicles Nigam Ltd (AVNL)	
• Munitions India Ltd (MIL)	
• Yantra India Ltd (YIL)	
• India Optel Ltd (IOL)	

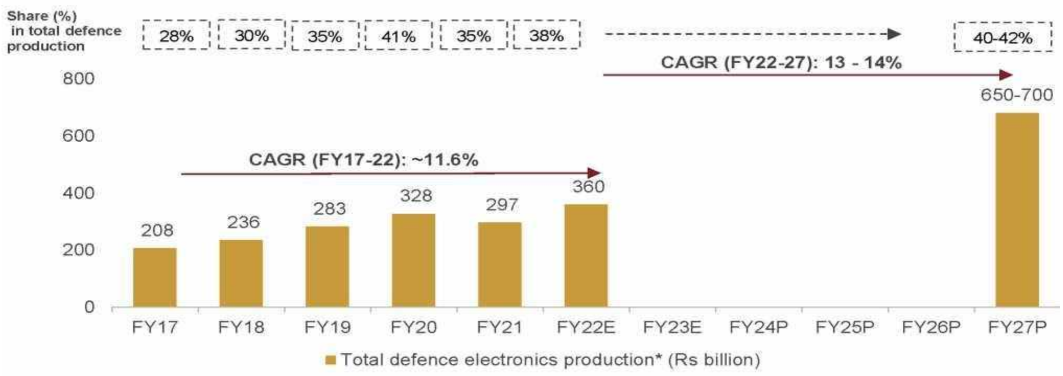
** The list is indicative and not an exhaustive representation of the defence industry*
Source: Department of Defence Production, CRISIL MI&A Consulting

Defence electronics production to reach 40-42% of total defence production by fiscal 2027

The defence electronics segment consists of military communication systems, radars and sonars, network centric systems, electronic warfare systems, weapon systems, satellite-based communication, navigation and surveillance systems, navigational aids, underwater electronic systems, infra-red (IR) based detection and ranging system, disaster management system, internal security systems, etc.

As of fiscal 2022, defence electronics production in India is estimated to be ₹360 billion, after having grown 11.6% over fiscals 2017-22. The share of the industry within overall defence production has seen consistent increase, barring the pandemic-hit fiscal 2021.

Total defence electronics production in India



Note: E: estimated, P: projected

**The industry consists of Military Communication systems, Radars and Sonars, Network Centric systems, Electronic Warfare systems, Weapon systems, Satellite based Communication, Navigation and Surveillance systems, Navigational aids, Underwater electronic systems, Infra-Red (IR) based detection and ranging system, Disaster management system, Internal security systems, etc.*

Source: Ministry of Electronics and Information Technology, CRISIL MI&A Consulting

India has the second largest armed force in the world (1.3 million active personnel), and defence expenditure comprises 3.6-3.7% of its GDP. The armed forces are witnessing a large-scale modernisation drive to prevent and counter military escalation. This is driving the need for induction of strong and modern warfare technologies into the military, pushing the demand for defence electronics. The coming years will witness strong growth in combat systems as well as non-platform military programmes. The industry will also significantly benefit from the indigenisation drive and the Make in India programme. The private sector is growing within the defence electronics space, but to qualify for defence tenders companies need to have high technical expertise and capital-intensive infrastructure.

The industry is expected to clock CAGR 13-14% over fiscals 2022-27 to reach ₹650-700 billion by FY27. Improving technology is demanding increased usage of electronics, expanding the share of defence electronics in total defence production. The share of defence electronics is projected at 40-42%of total defence production by fiscal 2027, driven by sophisticated technology (AI, automation, etc).

Military modernisation, policy support, and geopolitics drive growth of defence industry Military modernisation

In 2021, the government disclosed plans to spend $130 billion over seven years on military modernisation and to boost India's capabilities in the sub-continent. The plan includes procurement of range of weapons, missiles, air defence systems, fighter jets, submarines and warships, drones, surveillance equipment, and developing infrastructure for extensive use of AI.

The Indian Army has disclosed plans to acquire platforms such as AKASH Missile System, satellites, modular bridges, utility helicopters, electronic warfare systems, surface to air missiles, and towed gun systems. As of December 2022, 140 schemes valued at over Rs 2 trillion are at various stages of acquisition. In association with the Indian Army, 202 projects worth over Rs 1.12 trillion are in progress involving 338 industries, jointly with the private industry, MSMEs, academia and R&D labs across the country.

The Indian Air Force is planning to procure 114 multirole fighter aircraft, out of which 96 will be made in India and the remaining will be imported. In February 2021, procurement contract of 73 LCA Tejas Mk-1A fighter aircraft and 10 LCA Tejas Mk-1 Trainer aircraft at a cost of ₹456.96 billion, along with design and development and infrastructure sanctions worth Rs 12.02 billion were awarded to Hindustan Aeronautics Ltd (HAL). The contract is valued at close to ₹480 billion. The delivery of all 83 aircraft is to be completed in 8 years from February 2021. HAL will deliver the first three aircraft in the third year and 16 aircraft per year for the subsequent 5 years. About 500 Indian companies, including MSMEs, in the design and manufacturing sectors are working with HAL in this procurement.

In June 2022, capital acquisition proposals of the armed forces, amounting to ₹763.9 billion, were sanctioned under buy (Indian), buy and make (Indian) and buy (Indian-IDDM) categories. This included procurement of rough terrain forklift trucks (RTFLTs), bridge laying tanks (BLTs), wheeled armoured fighting vehicles (Wh AFVs) with anti-tank guided missiles (ATGMs), and weapon locating radars (WLRs) for the Indian Army.

For the Indian Navy, the DAC accorded AoN for procurement of Next Generation Corvettes (NGC) at an estimated cost of Rs 360 billion. NGCs will be versatile platforms for a variety of roles such as surveillance missions, escort operations, deterrence, surface action group (SAG) operations, search and attack, and coastal defence. In the same month, the DAC accorded AoNs for manufacture of Dornier aircraft and Su-30 MKI aero-engines by HAL with a focus on enhancing indigenisation particularly in indigenising aero-engine material.

Policy support

To reiterate, the government has taken numerous policy measures in the past few years and introduced reforms to encourage indigenous design, development and manufacture of defence equipment, thereby promoting growth and self-dependence in defence manufacturing and technology in the country. The various key policy measures include the following:

- Priority to procurement of capital items of Buy (Indian) category from domestic sources under DAP-2020
- Notification of four PILs comprising 411 items of services and three PILs of 3,738 items of DPSUs, for which there would be an embargo on the import beyond the timelines indicated against them
- Simplification of the industrial licensing process with longer validity period. Validity of licences has been increased from 3 years to 15 years
- Allowing 74% FDI under the automatic route from the earlier 49%
- Simplification of Make procedure
- Mission DefSpace, launched in October 2022, includes 75 defence space challenges
- Launch of iDEX scheme
- Implementation of Public Procurement (Preference to Make in India) Order 2017
- Launch of Srijan, a portal to facilitate indigenization
- Reforms in the offset policy
- Establishment of two DICs, one each in Uttar Pradesh and Tamil Nadu
- 25% of the R&D budget is earmarked for industry-led R&D

Geopolitical situation in the sub-continent

The geopolitical situation around India, including its two key neighbours Pakistan and China, has remained volatile over the years. There have been numerous instances of transgression along the line of actual control in the recent past. On December 09, 2022, PLA troops tried to transgress LAC in Yangtse area of Tawang sector. The ensuing face-off led to a physical scuffle and eventually the situation was de-escalated. In other instance, effective disengagement with PLA forces was achieved from the area of PP 15 (Eastern Ladakh) in September 2022. India has also endured numerous attacks by terror groups infiltrating from Pakistan. Some of the prominent ones in the recent past have been Uri attack, and Pulwama attack where the Indian military retaliated against the concerned terror groups.

The geopolitical situation makes it imperative for India to ensure readiness of its armed forces and constant improvement of its weapon systems and warfare infrastructure. This makes it the most significant demand driver for India’s defence industry.

Radar systems market

A radar, or radio detection and ranging, system can detect surrounding objects using radio waves. The use of short-wavelength microwaves allows for accurate measurement of the direction in which the object is detected and distance at which it is located. Besides the maritime industry, radars find application in meteorology and aerial surveillance.

The radar system mainly consists of the following devices:

- Antenna unit (antenna + motor): Antenna, which radiates waves or sends out the signal and receives echoes, and motor, which rotates the antenna

- Transceiver unit: The unit that generates waves and processes the signal, with a transmitter to generate a high-frequency signal and a receiver to detect and amplify it

- Processing unit: The unit that processes signals from radar components and external devices

- Display unit: Includes the display of the radar screen and connected sensor data

- Control unit: Includes radar controls

Radars can be classified based on different wavelengths, as L, S, C, X, and K band radars for identifying different objects with varying sensitivity, range, and performance parameters. Radars are used in defence and military applications to detect, locate, track, and recognise enemy targets such as ships, aircraft, and missiles.

Key radars in the industry

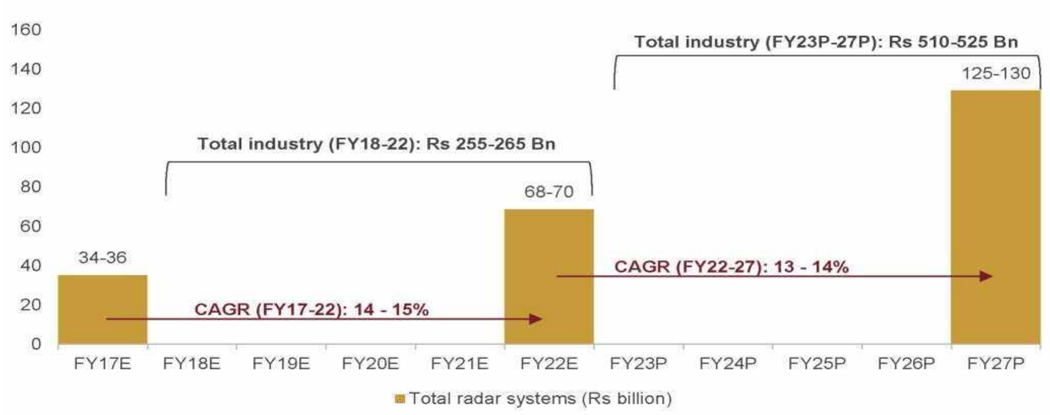
Radar	Description
Battlefield surveillance radar	• A battlefield surveillance radar is a lightweight, man-portable battery-powered electronic radar that provides all-weather surveillance against intrusion • It is capable of searching a specified sector and tracking multiple targets. It detects, tracks, and classifies moving targets • The entire radar system is carried by two soldiers and operated on a tripod. The radar is compact and weighs ~27 kg (packed in two modules, each weighing not more than 15 kg), and can be set up within six minutes, to match the speed and requirements of the users
3D low-level light-weight radar - Aslesha Mk I	• A 3D low-level light-weight radar is a multi-beam ground-based three-dimensional surveillance radar. It can be deployed in diverse terrains such as plains, deserts, mountain tops, and high-altitude regions • It detects and tracks heterogeneous air targets, including helicopters, fighters and unmanned aerial vehicles (UAVs) at low and medium altitudes. This quadripod-mounted radar is built to operate in the networked or standalone mode to support joint or independent operations
Medium power radar	• A medium power radar (MPR) is a fully active, rotating, multifunction phased array radar. It is a ground-based four-dimensional surveillance radar used for generation a true air picture, with the accurate and precise measurement of aerial targets in an air defence operation • The radar can survive an intense electronic countermeasures (ECM) environment and possible electromagnetic (EM) interference. It is fully programmable from the local operator workstation and also remotely from the remote operator workstation unit
Weapon locating radar (WLR)	• A weapon locating radar (WLR) is an electronically scanned phased array radar. It automatically locates hostile artillery, mortars, and rocket launchers, and tracks friendly fire to locate the impact point of friendly artillery fire to issue necessary corrections • It is designed to detect projectiles with a small cross-section across the battle space horizon and has the capability to handle simultaneous fire from weapons deployed at multiple locations • It uses advanced signal processing techniques for detecting and tracking projectiles in the presence of ground, weather clutter, and other forms of interference in the electronic warfare (EW) scenario. The system is designed to survive physical rigours of the battlefield and soft hostile EW • BEL has an order pipeline of 12 WDRs worth Rs 10 billion
Multi-object tracking radar	• The multi-object tracking radar is a sophisticated monopulse pulse doppler radar used for tracking satellite launch vehicles and space debris • It is capable of tracking 0.25 m2 targets up to a range of 1000 km and can track 10 targets simultaneously. It can also track space debris of 0.1 m2 in low earth orbits (up to 800 km)
Active electronically scanned array radar- Airborne radar	• An active electronically scanned array radar (AESAR) is a multimode, solid-state active phased array fire control radar with scalable architecture that can be adapted for different types of fighter class of aircraft • It is capable of tracking multiple targets with high accuracy, suitable for firing missiles with interleaved air-to-air, air-to-ground, and air-to-sea modes for all terrain operations
Instrumentation radar	• Instrumentation radars refer to the range of radars used for data acquisition • It is used for artillery research applications to measure muzzle velocity and the range of the projectile after exit from the muzzle
Air traffic management radar	• An air traffic management radar is the larger term for radar devices used to scan and track civil and military air traffic in Air Traffic Management (ATM). These are usually fixed radar systems that have a high degree of specialisation • These radars have the ability to operate in severe environments, including adverse weather conditions, and perform accurate operation

**The list given above is only indicative and not an exhaustive representation of the radar industry Source: DRDO, CRISIL MI&A*

Radar systems market to log 13-14% CAGR over fiscals 2022-27

The size of the radar systems market was cumulatively estimated at ₹255-265 billion over fiscals 2018-22. The market size was estimated at ₹34-36 billion as of fiscal 2017 and grew at a 14-15% CAGR over fiscals 2017-22 to ₹68-70 billion. It is expected to grow at a 13-14% CAGR over fiscals 2022-27 to an estimated ₹125-130 billion. The market will achieve a cumulative size of ₹510-525 billion during fiscals 2023-27, at a multiplier of ~2.0, compared with the cumulative fiscals 2018-22 market.

Total radar systems market* in India



Note: E - Estimated; P - Projected
**The market is defined as the domestic production of India*
Source: Ministry of Defence, CRISIL MI&A

The radar systems market is driven by demand from the military forces for detecting enemy movements. Key players in this space are DRDO and BEL. DRDO designs, develops, and tests new radar products and technologies. It enlists the private sector's help in the development process for supply of critical sub-systems of the radar system. With regard to new technology, the development of the first product takes 3-4 years, followed by 6-12 months of testing. Subsequently, production is initiated based on the order quantity.

With the private sector gaining prominence, private players are now directly competing for defence tenders and providing turnkey solutions, based on technology transfer from DRDO or in-house developed products. A limited number of private players in the sector are capable of providing these critical systems and sub-systems, given that high technical expertise and relevant infrastructure is required to produce these components. Private players present in the space include Astra Microwave Products Ltd, Data Patterns (India) Ltd, and Tata Advanced Systems.

System modernisation, technological development, and geopolitical situation drive demand for radars

As mentioned earlier, the government has undertaken a large-scale modernisation programme for the armed forces. Radar systems constitute a key part of this upgradation programme. The armed forces are gradually replacing old-generation radars with new ones developed by DRDO. Several radar programmes are ongoing, at different levels of development. The new radars are already witnessing induction and production orders.

On the technological front, over the years, DRDO has introduced significant upgradations to its radar product line. For UAVs, the synthetic aperture radar (SAR) with a ground moving target indicator capability has been developed. It is an important sensor used for imaging, surveillance, and reconnaissance. Further, A light-weight WLR for use in mountainous terrains has been developed on two 6x6 vehicles. Trials are currently underway, and the army is likely to place orders for the same following successful trials. Gallium Nitride (GaN)-based TRMs are being introduced for modernising existing radars of Su-30 Mk 1, LCA Mk 2, and AMCA fighter aircraft.

The geopolitical situation remains volatile for India. Several Line of Actual Control (LAC) violations have been reported and dealt with by the armed forces. To counter these incidents, the Indian Air Force plans to upgrade its radars along the Indo-China border (LAC) in Arunachal Pradesh. Proposals of more than Rs 100 billion are estimated to be in advanced stages within the defence ministry for the procurement of High-Powered Radars (HPR) and ASHWINI radars through the domestic industry.

Key radar programmes in the industry

Radar programme	Description
MPR - Arudhra	• The MPR (Arudhra) is a fully active, aperture rotating four-dimensional multi-beam multifunction phased array radar • It has an instrumented range of 400 km and a detection range of 300 km. It also has a mode for detection and tracking of low RCS, high-speed and highly manoeuvring targets

Radar programme	Description
	• Its scalable architecture enables the development of a family of radars for different applications. The design, development, and user trials are completed and the system has been accepted for induction into the Indian Air Force • BEL has an order for Arudhra radar worth Rs 30 billion in the pipeline
AESAR - UTTAM	• In project UTTAM, a fully engineered, qualified, and deployable state-of-the-art AESAR has been developed indigenously with scalable architecture that can be adapted for different types of fighter class of airborne platforms • Core components required for AESAR are active aperture array unit (AAAU), primary power system, and exciter receiver processor • The critical sub-systems of AESAR have been established, along with a production base through Indian industries, for quick realisation of the AESAR with platform- oriented architecture suitable for all combat aircraft. The radars have been flight tested on the LCA platform for different modes. Various programmes are in place, involving DRDO, DPSUs, and private players, for developing these radars across varied aircraft platforms
Primary radar for airborne early warning and control system (PR for AEW&C)	• The Primary radar for AEW&C is an active phased array radar with a normal detection range of 200 km and an extended range of 300 km • It is a multi-mode early warning radar with an electronically scanned active array antenna. It is mounted on executive jet class (Embraer) aircraft for carrying out airborne surveillance. The radar has been inducted by the Indian Air Force
Radars for quick reaction surface-to-air missile (QRSAM)	• The QRSAM system is required to provide air defence cover to mechanised columns on the move • The system requires a battery surveillance radar (BSR) for surveillance and battery multifunction radar (BMFR) for fire control. Both BSR and BMFR are active phased array radars with four antenna arrays covering the entire 360 degree in azimuth and 0 to 60 degrees in elevation. Both the radars are mounted on an 8x8 HMV and have an on-board power source and cooling system. On-the-move surveillance and tracking performance have been established • Development has been completed, and user trials are underway

**The list given above is only indicative and not an exhaustive representation of the radar industry Source: DRDO, CRISIL MI&A*

Missile system electronics and telemetry market

Missile systems constitute a critical warfare tool that provides a country superiority in aerial, naval, and land-based warfare. India has achieved a high level of self-reliance in terms of missile technology. India's missile arsenal includes several ballistic missiles (Agni), anti-tank missiles (Helina), surface-to-air missiles (Akash), and air-to-air missiles (Astra). Key players in the segment include DRDO, which develops technology for the systems.

An average missile system broadly comprises a launcher, four to five missiles, and a radar. The Akash missile system comprises a troop control centre, troop-level radar, flight-level radar, central acquisition radar, and a flight control centre, apart from the launcher and missiles.

Key missile systems in the industry

Missile systems	Description
Agni	• Agni-1 to 5 missiles are designed and developed by DRDO and have been inducted into service
Akash	• Akash is a short-range surface-to-air missile system to protect against air attacks. The Akash weapon system can simultaneously engage multiple targets in the group or autonomous modes. The entire weapon system has been configured on mobile platforms • The Akash weapon system has been inducted and is operational with the Indian Air Force, as well as Indian Army
Astra	• Astra is a beyond-visual range class of air-to-air missile system designed to be mounted on fighter aircraft. The missile is designed to engage and destroy highly manoeuvring supersonic aircraft • The missile has all-weather day and night capability. It is being developed with multiple variants to meet specific requirements. The Astra Mk-I weapon system integrated with Su-30 Mk-I aircraft is being inducted into the Indian Air Force
NGRAM	• New generation anti-radiation missile (NGARM) is used to target and destroy enemy-based radars on the ground. The missile has a range of 100-250 km • It uses Sukhoi-30 as its launch platform
QRSAM	• The QRSAM system is a short-range surface-to-air missile system designed to protect moving armoured columns from aerial attacks • The entire weapon system is configured on highly mobile platforms and can provide air defence on the move. QRSAM weapon systems are being inducted into the Indian Army
MRSAM	• The MRSAM system is a high-response, quick-reaction, vertically launched supersonic missile, designed to neutralise enemy aerial threats - missiles, aircraft, guided bombs, and helicopters. It is used by the army, navy and air force in different variants

Missile systems	Description
BrahMos	• BrahMos missiles are supersonic and hypersonic (in development) cruise missiles that can travel at a speed of 2-3 Mach and 5 Mach, respectively • the missile has a flight range of 290 km, with a cruising altitude of up to 15 km and terminal altitude of 10 m. The missile is in service in ship-based, land-based, and air-launched versions
Helina	• Helina (helicopter-based NAG) is a third-generation fire-and-forget class anti-tank guided missile (ATGM) system mounted on the advanced light helicopter (ALH)

**The list given above is only indicative and not an exhaustive representation of the missile systems in India*
Source: DRDO, BDL, CRISIL MI&A

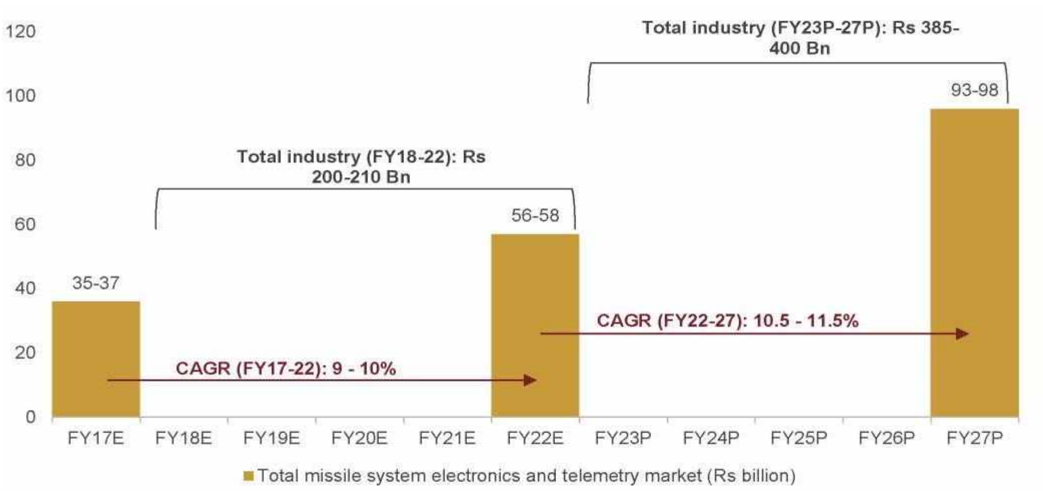
Key production players are BDL and BEL. Both the development and production players are supported by the private sector, which provides electronics for the missile system. These include control system products, flight instrumentation systems and sub-systems, navigation systems and sub-systems, and seeker products.

Missile system electronics and telemetry market to log 10.5-11.5% CAGR over fiscals 2022-27

The size of the missile system electronics market was cumulatively estimated at Rs 200-210 billion over fiscals 2018-22. As of fiscal 2017, it was estimated at Rs 35-37 billion. The market size grew at a 9-10% CAGR over fiscals 2017-22 to Rs 56-58 billion. It is expected to grow at a 10.5-11.5% CAGR over fiscals 2022-27 to an estimated Rs 93-98 billion. The market will achieve a cumulative size of Rs 385-400 billion over fiscals 2023-27, at a multiplier of ~1.9, compared with the fiscals 2018-22 market.

In terms of the order pipeline, BEL has visibility on orders for Akash Prime from BDL worth Rs 40 billion, QRSAM worth Rs 200 billion, and MRSAM worth Rs 150-200 billion. BDL had an order book worth Rs 119 billion as of December 2022, and the likely inflow of orders in this fiscal is Rs 100 billion.

Total missile system electronics and telemetry market* in India



Note: E - Estimated; P - Projected
**The market is defined as the domestic production of India*
Source: Ministry of Defence, CRISIL MI&A

Induction of latest weapons, technological development, and geopolitical situation drive demand for missile systems

As mentioned earlier, The government is incorporating state-of-the-art technology in the weapon systems of the armed forces. This is imperative, given the current geopolitical situation, as India needs to ensure competitive supremacy of its weapon systems. India is constantly striving to improve its arsenal through the development of technology and constant testing. Key missile tests conducted in 2022 are listed below.

Key missile tests conducted in 2022

Missile system	Description
Agni systems	• India carried out a successful training launch of intermediate-range ballistic missile Agni-3 from APJ Abdul Kalam Island, Odisha, in November 2022 • Earlier, in June 2022, a successful training launch of Agni-4 was carried out • Both these launches validated all the operational parameters and the reliability of the system. The successful test reaffirms India's policy of having a Credible Minimum Deterrence capability as a counter to the possible military escalation by neighbours
Helina	• In April 2022, flight trials were conducted from an ALH, and the missile was fired successfully, engaging the simulated tank target

Missile system	Description
QRSAM	• DRDO and the Indian Army successfully completed six flight-tests of the QRSAM system from Integrated Test Range (ITR) Chandipur off Odisha's coast
MRSAM	• The two missiles launched during the flight tests achieved direct hits against high-speed aerial targets at ITR Chandipur, off Odisha's coast, in March 2022. The launches were carried out for establishing the accuracy and reliability of the weapon system
Vertical launch short-range surface-to-air missile	• The vertical launch short-range surface-to-air missile was successfully flight-tested by DRDO and the Indian Navy from an Indian naval ship at ITR Chandipur • This system helps strengthen the Indian Navy in neutralising aerial threats at close ranges, including sea-skimming targets

**The list given above is only indicative and not an exhaustive representation of missile tests in India Source: MOD CRISIL MI&A*

Electronic warfare market

EW systems are a configuration of electronic warfare technologies that use EM or directed energy and integrated cyber capabilities to carry out military and intelligence missions. These systems detect and disrupt signals in the EM spectrum, such as radar and other radio frequency (RF) transmission to protect assets from military threat. The system operates across three parameters:

1. Threat detection: Electronic support measures intercept, identify, and locate signals from the enemy to collect targeting and signal intelligence data

2. Threat suppression: This involves electronic attack that target the enemy's electronic infrastructure with the objective to degrade or eliminate combat abilities. It includes signal jamming, EM deception (spoofing), lasers, and RF weapons

3. Threat neutralisation: Electronic protection shields personnel, facilities, equipment, and platforms from an electronic attack by the enemy to cause the disruption of combat systems

Key EW products in the industry

EW product	Description
Electronic support measures (ESM) Systems	• These systems provide military intelligence through surveillance in the electromagnetic spectrum, which aids the decisionmaker to use electronic attack, electronic protection, and other warfare systems • These systems can be installed across ships, aircraft, and land-based platforms
Communications intelligence (COMINT) and communication jamming system	• This is a communication EW system is capable of carrying out ESM and ECM functions • It is capable of carrying out multiple functions simultaneously, such as searching, monitoring, data decoding, and recording and replaying a demodulated signal in V/UHF bands • The system is equipped with a state-of-the-art highly sensitive and very fast search receiver. It has ECM functionality with all modes of the communication jamming facility. It can also intercept and jam cell phones in the GSM and extended GSM bands
Mobile ground-based electronic intelligence (ELINT) system	• The system includes a digital receiver and DF technology to search, intercept, measure, monitor, analyse, identify, and locate detectable radar emitters within the required frequency spectrum to provide information necessary for strategic and tactical operations • The system is configured as an integrated ELINT and wide-open ESM system and consists of three receiving stations (RS) and one control station (CS). One of the RS Stations also has a back-up CS facility. In addition, a repeater radio link is provided to extend the range of one of the RSs from the CS
Integrated EW System	• An Integrated EW System is designed for plains, semi-desert regions, and mountainous terrain regions • It is capable of intercepting, analysing, locating, and jamming enemy communication emitters. It covers the frequency band consisting of both, communication and noncommunication EW segments, linked with an intra-communication network. These segments are integrated to the countermeasure control centre (CCC) and high-level control centre (HLCC) complex

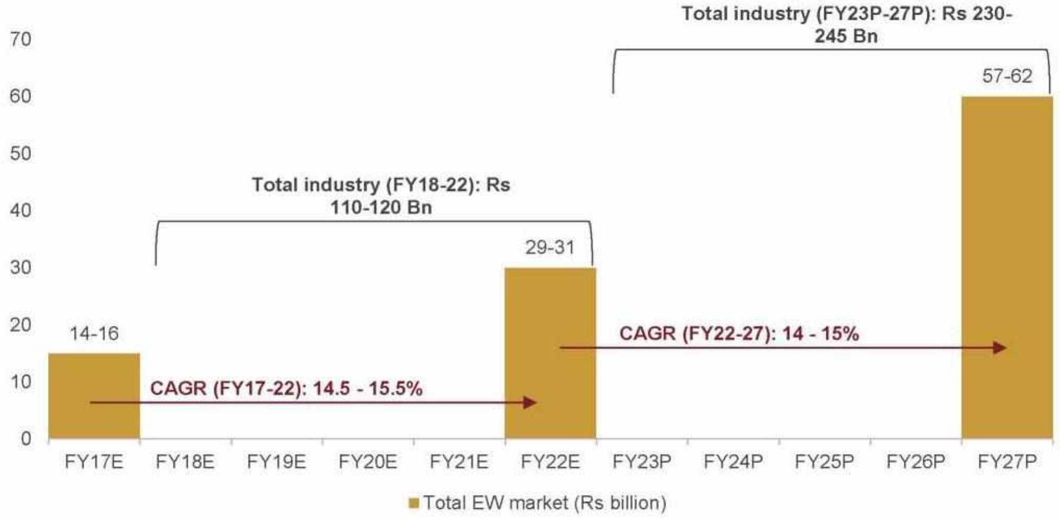
** The list given above is only indicative and not exhaustive representation of EWproducts in India Source: BEL, CRISIL MI&A*

Electronic warfare market to log 14-15% CAGR over fiscals 2022-27

The EW market size was cumulatively estimated at Rs 110-120 billion during fiscals 2018-22. As of fiscal 2017, the market size was estimated at Rs 14-16 billion. It grew at a 14.5-15.5% CAGR over fiscals 2017-22 to Rs 29-31 billion. It is expected to grow at a 14-15% CAGR over fiscals 2022-27 to an estimated Rs 57-62 billion. The market will achieve a cumulative size of Rs 230-245 billion during fiscals 2023-27, at a multiplier of ~2.1, compared with the cumulative fiscals 2018-22 market.

BEL is the key player in the space. In March 2022, it received two contracts for the delivery of 42 D-29 EW systems and associated equipment and one Instrumented EW Range (IEWR) to the Indian Air Force for Rs 19.93 billion and Rs 11.09 billion under the Buy (Indian) category, respectively. The presence of private players is still limited in this space, given the criticality of the EW systems in the overall defence infrastructure.

Total EW market* in India



Note: E - Estimated; P - Projected
**The market is defined as the domestic production of India Source: Ministry of Defence, CRISIL MI&A*

Induction of modern EW systems, technological development, geopolitical situation, and inevitability of EW systems drive demand for missile systems

As discussed earlier, the government is incorporating the latest technology in the warfare systems of the armed forces. This is imperative, given the current geopolitical situation, as India needs to ensure the competitive supremacy of its arsenal. EW systems have the capabilities to intercept signals to gain intelligence on the enemy, which can help in decision making to pre-emptively counter threats. It can also destroy and eliminate the combat abilities of a weapon system. Such a result can be detrimental in a war-like situation. This makes the use of EW systems inevitable in warfare.

EW systems will keep gaining prominence in the Indian armed forces as a key weapon system, considering enemy nations are also improving their technological prowess in EW. Apart from the currently employed EW systems, there is a developing use of satellite-based GPS systems, remotely controlled UAVs, and cyber tools for disrupting enemy activities and infrastructure. In future, EW systems will be fully integrated with cyber warfare elements in wars. This is already in development across various nations.

Counter-drone system market in India

Counter-drone system can be broadly classified into two categories - detection and interdiction or neutralization

Over recent years, there has been an increase in usage of drones or unmanned aerial vehicles (UAVs) for both commercial and military purposes. Though the usage of drones provides advantages it also has a downside, wherein they pose multiple risks pertaining to privacy and security, in turn, generating a need for counter-drone system. Counter-drone technology, which also known as counter-UAS or C-UAS, is a system that is used to detect and/or intercept unmanned aircraft systems while in flight.

Counter-drone system can be broadly classified into two categories, such as detection and interdiction or neutralization

Detection:

Drones have low Radar Cross Section (RCS), slow speed, and small size. These characteristics of drones makes them difficult to detect. In response, various techniques have been developed, through which the detection and identification of the drones can be made. These methods can be majorly classified under radar, video/electro- optical (EO), audio/acoustic, and Radio Frequency (RF)-based techniques.

- **Radars:** Radar as a device is used in object detection through radio energy. Radars send out a short burst of radio signal, which is emitted from a transmitter and reflected from the object, which is useful in determining the size and speed of the object. Because of these features, the radar has the potential to provide non-cooperative detection capability without the active support of target drones. Further, with the help of various algorithms these systems can distinguish between drones and other small, low-flying objects, such as birds. However, radars are ineffective for smaller flying objects and more suited for large object tracking.

- **RF-based:** The RF analysers consist of radio antennas and a processor to analyse the RF spectrum. They detect radio communication between the controller and the drone through which they can identify the presence of drones. These RF analysers are limited in capability in accurately locating the drones, for which the triangulation method can also be used to find the accurate position of the drone.

- **Audio or Acoustic:** During the flight of the drone, the sound generated by the rotors can be utilized in detection of drones. Usually, a microphone, or microphone array (lots of microphones), are used to detect the sound made by a drone and calculate the direction. The noise profile of such drones are recorded in the library of the detection system. As acoustic systems use acoustic signatures to detect small drones at close ranges; they're effective if there is no conflicting noise in the vicinity.

- **Video/electro-optical (EO):** In this method, visual cameras are used in finding the drone where in the detected is based on appearance features and/or its motion features across consecutive frames. Optical cameras consist of day and night cameras that detect the drone. Night cameras include thermal and infrared cameras. To improve the accuracy of detection, it is promising to combine both motion features and appearance features. In addition to detection, this system can also be useful for revalidation (secondary validation) of the threat.

Interdiction or neutralization:

Drone interdiction or neutralization can be broadly classified into 'soft kill' and 'hard kill' systems.

Soft-kill systems disrupt the electronics or software of the targeted drone, leading to alteration in its operation, which involves neutralization of sensors, control and navigation systems through jamming, spoofing, and making target drones land away from their intended landing site or capturing them.

Hard-kill systems damage the drone itself, which it prevents from functioning as intended by the operator. These hard kill systems include lasers, nets, microwave systems and physical destruction by guns, or suicide drones.

The methods commonly used for interdiction or neutralization of drones include the following:

- **Radio Frequency Jammers**: A Radio Frequency (RF) Jammer is a static, mobile, or handheld device which transmits a large amount of RF energy towards the drone. This disrupts the radio frequency communication link existing between the drone operator and drone, leading to masking the controller signal. Once the connection is lost, the drone either descends or returns to home manoeuvre. The jammers can be ground based as well as placed on airborne platforms. However, jamming has some inherent disadvantages as it may jam other drone users in that area. Therefore, the power of jammer and intended areas of jamming have to be clearly defined.

- **GPS Spoofers:** GPS spoofers send a new signal to the drone, replacing the existing communication with GPS satellites it uses for navigation. The drone is 'spoofed' into changing its pre-planned course by dynamically altering the GPS coordinates in real-time, the drone's position can be controlled by the spoofer. Once control is gained the drone can be directed to a 'safe zone'. Additionally, a sensor-based spoofing can also be opted, wherein the sensor output of the drone are altered, leading to drone receiving error leading it crash or land safely.

- **High Power Microwave (HPM) Devices:** High Power Microwave (HPM) devices include antennas which generates an Electromagnetic Pulse (EMP) which is focused on the target drone and capable of disrupting its electronic devices. The EMP interferes with radio links and disrupts or even destroys the electronic circuitry in drones with the help of voltage and currents it creates.

- **High-energy lasers:** Lasers are high-powered optical devices, which produce an extremely focused beam of light, or laser beam. The laser defeats the drone by destroying the structure and/or the electronics.

- **Nets and Guns:** Firing at a drone, or otherwise bringing a net into contact with a drone stops the drone by prohibiting the rotor blades**.**

India is witnessing demand for counter drone systems

India's geographic situation

India shares a land border of 15,106 km with various countries, which include Pakistan, China, Afghanistan, Bhutan, Nepal, Myanmar, and Bangladesh. With the advent of increase in drone usage in defence industry across nations, India's proximity to West Asia, Central Asia and juxtaposition with the Indian Ocean Region and the Asia- Pacific region, which pose major security challenges, further accentuate the need for its defence preparedness.

As of Dec 2022, the number of drone citing's along the International land border have increased to 268 from 109 in 2021,49 in 2020 and 35 in 2019 as per the data compiled by Border Security Force (BSF) of India. This increase in rogue elements creates the necessity for growth in Indian counter drone system market.

Increasing drone usage in India

Over the years the usage of drones has seen an increase in adoption from initial military usage to various commercial and civilian segments. Due to its varied applications across sectors from agriculture to healthcare, the usage of drones has been adopted various businesses, individual and government agencies which resulted in increase in number of drones. Though the drones have advantages in various industries they also have a flip side, posing risks such as security risk, penetration risk and privacy risk.

The Government of India, with a vision to develop as the global hub by drones 2030 under Atmanirbhar Bharat Abhiyan, has crafted various reform measures. To develop the drone and drone-components manufacturing in India, the government has introduced a PLI scheme. It has liberalised the drone rules and published the drone airspace maps for bolstering the usage of drones. To further support the drone usage creation of drone corridors and creation of UAV operations infrastructure like Unmanned Traffic Management (UTM) are also envisaged by the government. This fillip at a policy level would boost the drone usage, which would increase the risk attached to them. This increase in drone usage will further emphasise the necessity for the usage of counter-drone system over the upcoming years as a safety and security measure.

Limited liability of drone monitoring

Limited ability to monitor any unregistered drones creates a risk for adverse or mischievous events which in turn creates a requirement for counter systems in place which further bolsters the segment growth. As per the estimates mentioned in "National Counter Rogue Drone Guidelines" of 2019, India has about 5,00,000 unregistered drones imported to or manufactured in India prior to the promulgation of first drone regulations under Civil Aviation Requirements (CAR) in 2018. As of December 31,2021, around 558 Unique Identification Numbers (UIN) have been issued, while the number of Drone Acknowledgment Numbers (DAN) issued through DigitalSky Platform until November 30, 2021, is 29,459. However, after the conversion requirement from DAN to UIN, only 6,475 drones are registered under the Digisky platform of Government of India.

Indian counter drone systems market is estimated to be 6.5 - 8 billion by the end of fiscal 2027

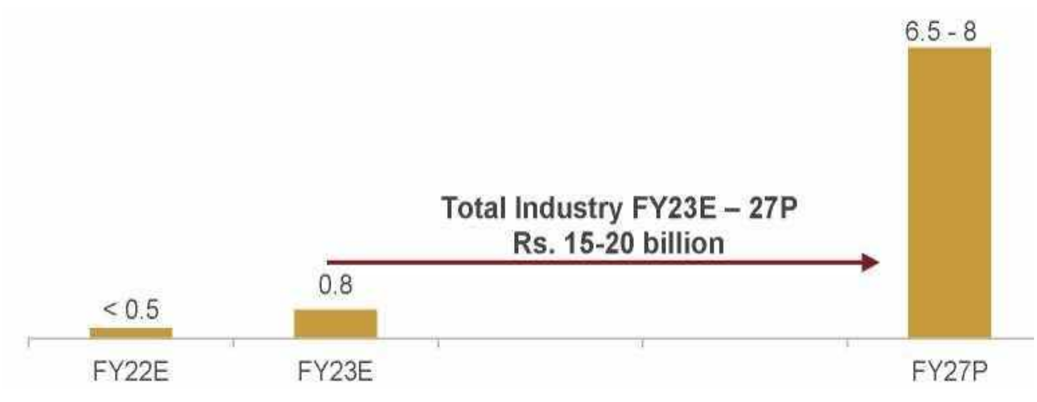
Indian counter drone systems market, as of fiscal 2022, include public sector entities such as Bharat Electronics Ltd (BEL) and private sector entities like Zen Technologies Ltd, Gurutvaa Systems Private Limited, Big Bang Boom Solutions Private Ltd and Adani Defence Systems and Technologies Limited among others.

As of fiscal 2022, BEL is the largest player manufacturing of counter drone systems in India. During the same period zen technologies received an order worth ₹1,550 million from Indian Air Force (IAF) for manufacturing of counter drone systems. Additionally, as per Industry and media reports, Big Bang Boom Solutions Private Limited and Gurutvaa Systems Private Limited also won orders from Indian Air Force (IAF).

As of fiscal 2027, the counter-drone system market in India is estimated to reach 6.5 - 8 billion from 0.8 billion in fiscal 2023. This growth is poised by the rise in requirement for the counter-drone system with the advent of a rise in drones, supported by various reforms undertaken by the Government of India.

Total Indian Counter drone systems market (FY23E-FY27P)

in ₹ billion



Note: E- Estimated, P - Projected
Counter Drone Systems was introduced in Indian markets during 2021-22 prior to which the industry doesn't have any substandial revenue
Source: CRISIL MI&A

In fiscal 2022, two Requests for Information (RFI) and one Request for Proposal (RFP) have been raised by the Ministry of Defence for Counter Drone Systems

- Under RFI for Counter Unmanned Aircraft System (C-UAS) or Counter Drone System, the Ministry of Defence intends to procure about 100-200 Counter Unmanned Aircraft System (C-UAS) and associated equipment

- Under the second RFI for Counter Unmanned Aircraft System (C-UAS) or Counter Drone System, The Ministry of Defence intends to procure about 25 Counter Unmanned Aircraft System (C-UAS) along with / and associated equipment

- Under RFP for procurement of integrated drone detection and interdiction system (improved version), the Ministry of Defence intends to procure 9 Integrated Drone Detection and Interdiction Systems (Improved Version) under Buy (Indian) Category

Counter drone systems have application in military and civil security

Defence industry is the foremost major application for the counter-drone systems across the world. Military and Defence systems of the respective countries are early adopters of these counter-drone systems. Counter-drone systems are used in defence industry to combat the malicious usage of military drones. In addition, counter drone systems also find their application for the police personal who are focused on capturing the drones or stopping the drone operations to not injure civilians on the ground below.

Event-management companies, when organising large-scale events, would require the counter-drone systems to monitor the air space to avoid any adversities from occurring. In case of unidentified drone sightings occur in these events, the counter drone system would be helpful in capturing the drone safely without causing any harm to individuals on the ground.

Counter drone systems would also find their application among the **Private entities** pertaining to various industries, such as oil and gas, mining, power and chemicals, where they are installed to mitigate the risk arising from hostile drone operations, which otherwise would cause a debilitating effect on day-to-day operations of the entity.

3. An overview of key product segments in Indian space industry

An overview of space economy in India

Indian space ecosystem is largely managed by the government. The Indian Space Research Organisation (ISRO), under Department of Space, acts as the nodal agency for space activities in India. ISRO is among the largest space agencies in the world and maintains a fleet of various satellites. Till date (February 10, 2023), ISRO has completed 121 space craft missions and 87 launch missions. Indian space ecosystem can be broadly divided into three categories:

- Satellite
- Satellite launch services
- Ground stations

Satellites: ISRO launches various kinds of satellites, such as The Indian National Satellite (INSAT) systems, Geosynchronous Satellite System (GSAT), and Radar Imaging Satellite (RISAT), among others, which would find various application-specific products and tools across industries that include agriculture, broadcasting, communication, space exploration, weather forecasting, disaster management, urban planning, rural development, mineral prospecting, environment, forestry, and ocean resources.

Satellite launch services: Over years, India has also been providing third-party launch services, wherein satellites of other countries are launched by using Indian launch vehicles. Until date (February 10, 2023), ISRO has successfully launched 385 satellites across 34 countries, with the recent one being the launch of 36 OneWeb Gen- 1 satellites.

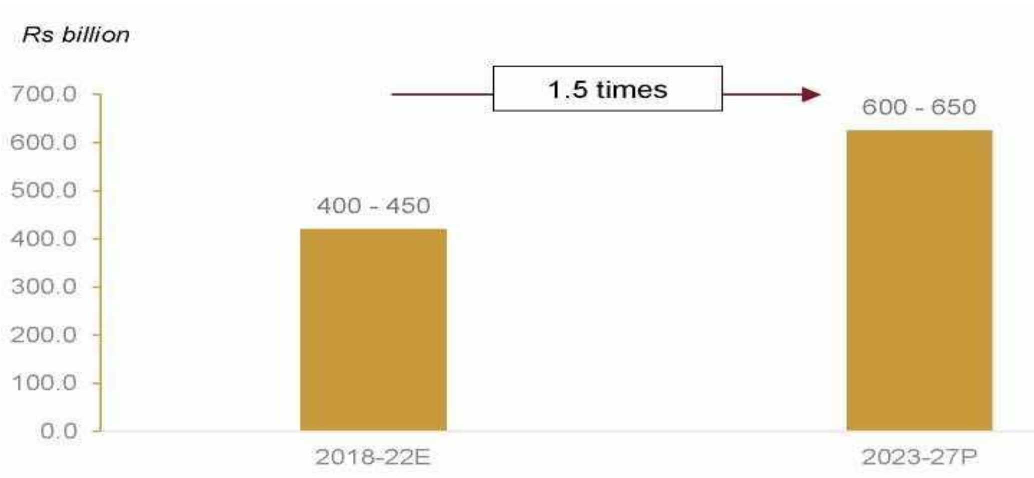
Ground stations: The network operation centres and earth stations on the ground comprise a satellite communications system or network. Satellite ground stations are built to collect and share data from the satellites to various stakeholders across varied industries. The data from ground station is transmitted to end user's equipment either directly or through a terrestrial network.

Indian space economy to grow at 1.5 times between CY2018-22 and CY2023-27

Traditionally, Indian space economy has been dominated by the ISRO - a public sector entity. To improve the participation of private players in Indian space economy, the Government of India (GoI) has taken up various initiatives such as New Space India Limited (NSIL) - a wholly owned GoI Undertaking - inaugurated in 2019 to enable Indian Industries to scale up high-technology manufacturing base for space programme. Also, to create a level playing field for private players and non-government entities in Indian space industry, GoI has introduced Indian National Space Promotion and Authorization Centre (IN-SPACe) with aim to provide access to space infrastructure developed over the years to private players through a business-friendly mechanism. Further, in October 2021, Indian Space Association (ISpA) was setup by GoI to undertake policy advocacy while engaging with industry stakeholders.

The above-mentioned reforms and initiatives undertaken by GoI provide thrust for the development of space economy in India. In addition, advancement of technology in space sector would lead to reduction in development costs, and thus aid in satellite usage penetration in various sectors such as telecommunication, weather monitoring, surveillance etc. This coupled with future missions planned by ISRO such as NISAR, Aditya L1, Chandrayaan 3, SPADEX and increase in interest towards the small satellites, the Indian space economy - consisting of ground systems and satellite manufacturing - is projected to grow by 1.5 times during CY2023-27 reaching a cumulative order book of ₹600 - 650 billion from an order book of ₹400 - 450 billion during CY2018-22.

Indian space industry (Satellite Manufacturing + Ground Systems)



Note: E- Estimated, P - Projected
In the above graph consolidated orderbook has been used as satellite development has gestation period of more than one year Source: ISRO, CRISIL MI&A

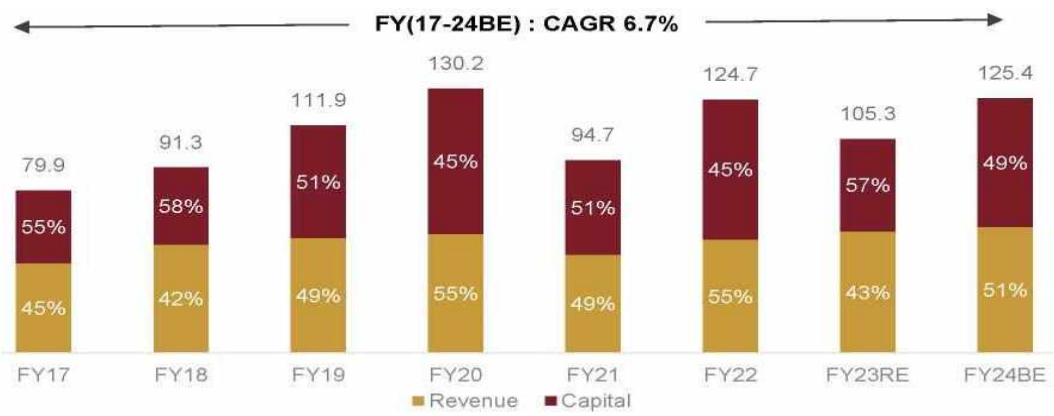
Indian space budget grew at a CAGR of 6.7% between fiscal 2017 and 2024BE

Under union budget 2023-24, Government of India has allocated ₹125.4 billion for Department of Space. The budget allocation has seen an increase of 19.1% when compared to revised estimate of 2022-23 budget, along with compounded growth of 6.7% from the actuals of fiscal 2017.

In the recent budget of 2023-24 the revenue expenditure occupies a share of 51% while the rest 49% is occupied by the capital expenditure. During the period between fiscal 2017 and 2024BE, revenue expenditure has seen growth of 5.0%, while the capital expenditure has seen a higher growth of 8.5% indicating the growing Governments interest towards Indian space program.

Budget allocation for Indian space sector

Rs. billion



Note: RE - Revised estimates, BE - Budget Estimates
Source: Union Budget, CRISIL MI&A

Satellite launches by India across various applications

India has successfully launched 43 satellites across applications since 2016

India launched its first satellite Aryabhata in the year 1975. From then, until date various satellites have been launched across varied applications. From 2016 to 2022 (November), India has launched 43 successful satellites into their respective orbits.

Communication satellites are majorly used for telecommunications, television broadcasting, satellite newsgathering, societal applications, weather forecasting, disaster warning and Search and Rescue operations.

Earth observations satellites data is majorly used in applications covering agriculture, water resources, urban planning, rural development, mineral prospecting, environment, forestry, ocean resources and disaster management.

Navigation satellites are used for geographical positioning, navigation and timing based on user requirement. In order to meet the navigation requirements of civil aviation, ISRO and Airports Authority of India (AAI) have implemented the GPS Aided Geo Augmented Navigation (GAGAN). In addition, to meet the positioning, navigation and timing requirements of the nation, ISRO has established a regional navigation satellite system called Navigation with Indian Constellation (NavIC)

Experimental satellites as the name suggests are mainly used for experimental purposes which include remote sensing, atmospheric studies, payload development, orbit controls and recovery technology.

Further, India has also launched small satellites which are utilised earth imaging and science missions with a quick turnaround time.

In addition to above mentioned, India has also accomplished of launching satellites under scientific research in areas like astronomy, astrophysics, planetary and earth sciences, atmospheric sciences and theoretical physics which include missions like Chandrayaan - 1,2 and Mars Orbiter Mission.

Satellite launches bv India from 2016 till 2022 (November)

S. no.	Name	Launch Date	Application
1.	Thybolt	November 26, 2022	Earth Observation
2.	Thybolt	November 26, 2022	Earth Observation
3.	Anand	November 26, 2022	Earth Observation
4.	INS-2B	November 26, 2022	Earth Observation
5.	EOS-06	November 26, 2022	Earth Observation
6.	EOS-02	August 7, 2022	Earth Observation
7.	GSAT-24	June 23, 2022	Communication
8.	INS-2TD	February 14, 2022	Experimental
9.	EOS-04	February 14, 2022	Earth Observation
10.	EOS-03A	August 12, 2021	Earth Observation
11.	CMS-01	Decemner 17, 2020	Communication
12.	EOS-01	November 7, 2020	Disaster Management System, Earth Observation
13.	GSAT-30	January 17, 2020	Communication
14.	RISAT-2BR1	December 11, 2019	Disaster Management System, Earth Observation
15.	Cartosat-3	November 27, 2019	Earth Observation
16.	Chandrayaan 2	July 22, 2019	Planetary Observation
17.	RISAT-2B	May 22, 2019	Disaster Management System, Earth Observation
18.	EMISAT	April 1,2019	N.A.*
19.	GSAT-31	February 6, 2019	Communication
20.	Microsat-R	January 24, 2019	N.A.*
21.	GSAT-7A	December 19, 2018	Communication
22.	GSAT-11 Mission	December 5, 2018	Communication
23.	HysIS	November 29, 2018	Earth Observation
24.	GSAT-29	November 14, 2018	Communication
25.	IRNSS-1I	April 12, 2018	Navigation
26.	GSAT-6A	March 29, 2018	Communication
27.	INS-1C	January 12, 2018	Experimental
28.	Microsat	January 12, 2018	Experimental
29.	Cartosat-2 Series Satellite	January 12, 2018	Earth Observation
30.	IRNSS-1HA	August 31, 2017	Navigation
31.	GSAT-17	June 29, 2017	Communication
32.	Cartosat-2 Series Satellite	June 23, 2017	Earth Observation
33.	GSAT-19	June 5, 2017	Communication
34.	GSAT-9	May 5, 2017	Communication
35.	Cartosat -2 Series Satellite	February 15, 2017	Earth Observation
36.	INS-1A	February 15, 2017	Experimental

S. no.	Name	Launch Date	Application
37.	INS-1B	February 15, 2017	Experimental
38.	RESOURCESAT-2A	December 7, 2016	Earth Observation
39.	GSAT-18	October 6, 2016	Communication
40.	SCATSAT-1	September 26, 2016	Climate & Environment
41.	INSAT-3DR	September 8, 2016	Climate & Environment, Disaster Management System
42.	CARTOSAT-2 Series Satellite	June 22, 2016	Earth Observation
43.	IRNSS-1G	April 28, 2016	Navigation
44.	IRNSS-1F	March 10, 2016	Navigation
45.	IRNSS-1E	January 20, 2016	Navigation

Note:
N Unsuccesful launches
**:N.A: Application for the particular launch is not available*
The above list doesn't include student satellites that are launched
Source: ISRO, CRISIL MI&A

An overview of the electronics systems in Radar Imaging Satellite (RISAT)

India launched its first independently developed RISAT in 2012

ISRO has launched its first RISAT satellite in 2009 (RISAT-2) which is an X-band SAR (Synthetic Aperture Radar) reconnaissance satellite built by Israel Aerospace Industries Ltd. (IAI). Later on in April 2012, ISRO launched first independently RISAT - RISAT-1. Its major applications vary across sectors which include agriculture, geology, flood monitoring. Various subsystems that form a part of RISAT are explained below

Payload subsystem is the major subsystem in the satellite that performs the functions intended by the satellite. It consists of antennas, receivers, transmitters among others. The rest of the satellite can be called bus which contains mechanical subsystem, electrical power subsystem, Attitude and Orbit Control Subsystem (AOCS) and Telemetry, Tracking, and Control (TT&C) subsystem

Mechanical subsystem consists of structures and thermal subsystems. **Structural subsystem** focuses on the design of the satellite. Design majorly depends upon the placement of the components and their respective properties. **Thermal control subsystem** allows to maintain the temperature of the satellite within set parameters during its lifetime. It is also responsible for smooth functioning of the optical and electronics components through the lifetime of satellite by maintaining the optimal temperature.

Electrical power subsystem consists of all the components that deliver the power to all the instruments and sensor that are attached to it. The basic function of an electrical sub-system is to store, distribute and control the power output across the satellite. It also consists of an **on-board computer**, which acts as the major element in satellite, controlling and maintaining its safety. Its internal architecture is dependent on the application and requirements. The on-board computer runs the on-board software which in turn is enables to implement various function such as command processing, maintaining the coordination of actions between sub-systems, dispatch and executing commands, failure detection among others.

Attitude and Orbit Control Subsystem (AOCS) consists of thrusters and sensors, which are capable of placing the satellite in the right orbit when it get deviated from the orbit due to gravitational forces acting upon it from sun, moon and other planets. AOCS consists of two control systems which help in placing the satellite in the right orbit and maintaining the orientation of the satellite in the respective orbit. AOCS also includes a Reaction Control Subsystem**,** of which thrusters form a part of.

Telemetry, Tracking, and Control (TT&C) subsystem encapsulates various functions to ensure the satellite performs in the right manner. The TT&C subsystem provides communication between the satellite and the ground station. A TT&C subsystem exists in both satellite and ground station. In all, it helps the satellite operator to control the satellite throughout its life span.

An overview of ground-based systems

Satellite ground systems are constructed in order to receive information from the satellites and transmit it to various user across applications. Satellite ground stations include major components such as receiver, transmitter, antenna and tracking system. A receiving earth station receives the signals while the transmitting earth station is used for transmission of signals, ins some cases both receiving and transmitting is done by the same earth station.

Antenna consists of two major parts which include a feed system and an antenna reflector. These two parts together are utilised for radiating or receiving of electromagnetic waves to and from the satellite.

Receiver is used in reception of communication from the satellite. Generally, the signal received from the satellite has less strength. In receiver, the feed system transmits the signals to Low Noise Block (LNB) wherein the signal is amplified without losing any noise.

Transmitter as the name mentions is used to transmit signal from the ground station to satellite. The transmitter consists of a upconverter which converts the signal to a high frequency which is then amplified using high-power amplifier. This signal is then transmitted.

Tracking subsystem major has two functions which include satellite acquisition and satellite tracking. It is used to track the satellite and to make sure the receiver is oriented rightly to receive the signal from the satellite. The tracking can be done by either through automatic tracking, manual tracking or through programmed tracking.

4. An overview of key product segments in Indian meteorology industry

An overview of key systems used by Indian Meteorological Department

Hydrological and meteorological equipment are majorly used to estimate the weather and water conditions across various segments, which include water level, water purity, rainfall forecasting, disaster management, solar radiation, snow depth, wind speed, precipitation, soil temperature, soil moisture and evaporation, among others. Due to their varied applications, these hydrological and meteorological equipment are commonly employed by research agencies or government organisations, such as Indian Meteorological Department and ISRO. They also find usage in industries such as solar, chemical, agriculture, defence and aviation, among others.

In India, Indian Meteorological Department, under the Ministry of Earth Sciences, acts as the nodal agency in all matters relating to meteorology and allied subjects. It offers various services as outlined below:

Hydrometeorological services include assistance and advice on the meteorological aspects of hydrology, water management - such as rainfall monitoring, flood warnings among others - and multipurpose river-valley projects' management. These services are utilised by the Central Water Commission, Ministry of Agriculture, Ministry of Water Resources, Railways, Damodar Valley Corporation Flood Control Authorities, and the State Governments.

Meteorological services for Indian agriculture was introduced as a part of services under IMD to minimise the impact of adverse weather on crops and to make the use of crop-weather relationships boost agricultural production.

Meteorological services for civil aviation are used to provide meteorological services to the aviation industry for planning and safety of operations conducted at the airports. To provide these services, IMD has installed airport meteorological instruments across all civil airports in India.

Satmet services - Under these, IMD provides weather monitoring and forecasting through the usage of satellite imagery. The Indian National Satellite (INSAT) programme a series of multipurpose geo-stationary satellites by ISRO to satisfy the telecommunications, broadcasting, meteorology, and search and rescue operations started in 1982.

Meteorological telecommunication services department of IMD provides support functions, which are needed for meteorological data. It also provides processed weather products to the users, round-the-clock on near realtime basis and is known internationally as Regional Telecommunication Hub (RTH).

Environmental monitoring and service is a service under which IMD monitoring and research related to atmospheric parameters that can impact the Earth's climate conditions, causing depletion in ozone layer and changes in air quality. Under this, IMD also provides customised services to Ministry of Environment and Forests & Climate Change and other government agencies in the assessment of air pollution impacts.

Positional astronomy services of IMD data, where the position of various astronomical bodies is computed for scientific purposes, such as lunar phenomena for prediction of tides, solar data for infrastructure projects, positioning of sun for aligning of antennas and radars, rising and setting times of sun and moon used by defence and military agencies among others.

Other services provided by IMD include cyclone-warning services, heat and cold wave warning services, fog warning services, and weather and climate services for power and transport sector.

Overview of products in Indian meteorology industry

Automatic weather stations (AWS)

An automatic weather station is a meteorological equipment that is used to study, measure and monitor various weather and climatic conditions in the area it is installed. AWSs have sensors that convert these measurements into electronic signals that are further turned into meteorological data points. Such stations are more convenient than traditional weather stations due to their ability for long-term monitoring at remote locations without human intervention, which makes it cost effective and reduces frequency of visits required. Further, as the system is automated, there is no scope for human error while collecting data. Sensors that are generally used in AWS are:

- Air temperature sensors
- Humidity measurement sensors
- Wind direction and speed measurement sensors
- Barometric sensors
- Precipitation sensors

Agro-met automatic weather stations (agro AWSs)

Agro AWSs are also automatic weather stations mostly used for agriculture purpose. They have various sensors to monitor the necessary environmental and weather parameters. They have a few more sensors than that of traditional AWSs. The actual selection of sensors depends on the type of crop, climatic conditions and soil conditions, for which the weather station is utilised. Sensors that are generally used in agro AWSs are:

- Air temperature sensors
- Humidity measurement sensors
- Wind direction and speed measurement sensors
- Atmospheric pressure sensors
- Precipitation sensors
- Radiation sensors
- Soil temperature
- Soil moisture and evaporation

Automatic rain gauge

Rain gauge is an instrument used to assess the precipitation in which the rainfall reaches the earth from the atmosphere. The main purpose of an automatic rain gauge system is to make rainfall data available in real time. A typical automatic rain gauge system will have the following sensors:

- Wind direction and speed measurement sensors
- Air temperature sensors
- Precipitation sensors
- Atmospheric pressure sensors
- Rainfall sensors
- Solar radiation sensors

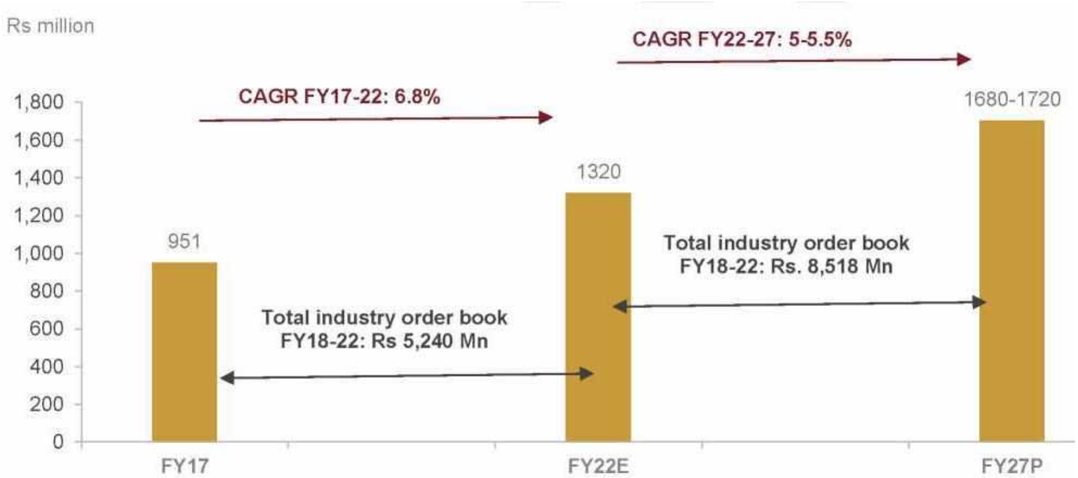
Doppler weather radars

Doppler weather radars (DWRs) are special types of radars that are used to detect the type of particle, its intensity and the direction. As the name suggests the doppler radar works on the doppler effect principle. In a traditional radar, radio waves are transmitted in the direction of the object. As the waves strike an object, energy is scattered in all the direction with some energy returning in the direction of the radar. This helps the radar identify the object in the atmosphere. The time it took for the waves to return helps us calculate the distance the object is in. However, DWRs help us determine even the position of the object. When a DWR transmits a pulse, it keeps track of the phase of that pulse. The shift in the received pulse compared with the transmitted pulse helps determine the position of the object. Advantages of DWRs include precision in detection of changes in weather parameters, including those of extreme events such as cyclones, storms, turbulence and lightening.

Indian metrological equipment market to log 5.2% CAGR between fiscals 2022 and 2027

As of fiscal 2022, the Indian metrological equipment market size was Rs 1,320 million. This is expected to log 5.05.5% CAGR to reach ₹1,680-1,720 million by fiscal 2027. The growth will be majorly led by the government support for schemes such as Atmosphere and Climate Research-Modelling Observing Systems & Services (ACROSS) to improve the weather prediction accuracy in the coming years and also the growing need for meteorological equipment across various segments, such as defence, disaster management etc.

Indian meteorological equipment market FY17-27P



Notes: The industry has seen a rise in order book for FY23-27 due to the government's thrust on using new DWRs during the period. It is to be noted that post the mentioned period, the industry may face moderation in the order book.
E: Estimated; P: Projected
Sources: Indian Meteorological Department, CRISIL MI&A

Govt focus on defence sector to boost meteorological equipment industry

Government support to aid growth in meteorological equipment market in India

In order to the increase the accuracy and reduce the chances of error in weather forecasting, the government is planning to install DWRs widely in the country. The Ministry of Earth Sciences plans to cover the entire country with doppler radars by 2025. To achieve this target the government has been taking the proactive steps by increasing the deployment of doppler radars from 15 in 2013 to 37 in 2023 (as on January 15). As many as 25 more DWRs are expected to be added over 2025-26.

In addition to this, through the ACROSS scheme, the government envisages to upgrade and improve the current weather system through its eight sub-schemes.

These above-mentioned schemes would, in turn, propel the growth of the meteorological equipment market in the country.

Increasing opportunity in Indian defence sector

India's defence expenditure logged a CAGR of 7.3% over fiscals 2017-2022. CRISIL expects the expenditure to see 8.8% CAGR between fiscals 2023RE and fiscal 2027. The growth in defence expenditure would, in turn, lead to a rise in production of aircrafts and helicopters.

This, coupled with increasing adaptability of drones in the defence sector would also bolster the growth of the meteorological equipment sector, as they would disseminate precise and time-to-time weather information to improve the efficiency of operations, take-offs and landings.

Competitive landscape for defence equipment industry

In this section, CRISIL MI&A has compared the key players in the defence electronics equipment manufacturing sector. We have obtained data in this section from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites, as relevant.

For this assessment, we have considered the following key players:

Astra Microwave Products Ltd; Data Patterns (India) Ltd; Tata Advanced Systems Ltd; Centum Electronics Ltd; Alpha Design Technologies Pvt Ltd; Bharat Electronics Ltd; DCX Systems Ltd; and Paras Defence and Space Technologies Ltd.

Key operational parameters of major players

Product profile of key players in the defence electronics segment

S. No.	Key players	Radars	Missile & telemetry	Electronic warfare	Avionics	Counter-drone systems	Satellite & space	Hydro/ meteorology	Others*
1.	Astra Microwave Products Limited								
2.	Data Patterns (India) Limited								
3.	Bharat Electronics Limited								
4.	Centum Electronics Limited								
5.	Alpha Design Technologies Private Limited								
6.	Tata Advanced Systems Limited								
7.	DCX Systems Limited								
8.	Paras Defence and Space Technologies Limited								

** Others for key player are listed below:*

Astra Microwave Products Ltd: antennas, MMIC, homeland security, etc.; **Data Patterns (India) Ltd:** COTS modules, communication systems etc.; **Bharat Electronics Ltd:** weapon systems, network & cyber security and unmanned systems, railway/metro/ airport solutions, electric vehicle charging infrastructure, alternate energy solutions, secure communication solutions and software etc.; **Centum Electronics Ltd:** solutions for communications, medical, automotive, transportation etc;

Alpha Design Technologies Pvt Ltd: opto-electronics, communication, etc; **Tata Advanced Systems Ltd:** aerostructures, aero-engines, unmanned aerial systems, weapon systems, optronics, C4I systems etc; **DCX Systems Ltd:** cable assembles, kitting, communication systems, etc; **Paras Defence and Space Technologies Ltd:** defence & space optics, heavy engineering etc.

Note: The product profile given above is only an indicative representation of the offerings Sources: Company reports, CRISIL MI&A

Astra Microwave Products Ltd (AMPL) is into design, development and manufacture of RF and microwave systems, sub-systems and components. AMPL is among the few private sector manufacturers of critical microwave and radio frequency components, sub-systems and systems in India. Astra Microwave Products Ltd (AMPL) is also one of the few private sector players in the country with in-house capabilities of designing, developing and manufacturing critical microwave and radio frequency-based equipment (for instance, radars) that find applications across defence, aerospace, space, metrology, telecom and civil communications sectors.

For the company, the key product segments under defence are radars, electronic warfare (EW), telemetry, missiles electronics, satellites, etc. It has strong infrastructure capabilities for product testing. Astra Microwave Products Ltd (AMPL) is the only entity in the private sector with a near-field test range (NFTR) facility, which is required to test radar sub-systems and systems.

Bharat Electronics Limited (BEL) is the largest player in the space. In defence, the company operates in segments such as radar and fire control systems, weapon systems, communication, network centric systems (C4I), electronic warfare systems, avionics, anti-submarine warfare systems & sonars, electro-optics, tank electronics, gun upgrades, strategic components etc.

The company recently entered segments such as arms & ammunitions, seekers & missiles, network & cyber security and unmanned systems. The non-defence segments include electronic voting machine (EVM) & VVPAT, HS&SC, software solutions/services, healthcare solutions, civil aviation and solar cells/power plants. New ventures in non-defence includes railway/metro/ airport solutions, space electronics and systems, electric vehicle charging infrastructure, alternate energy solutions, secure communication solutions and software. As of fiscal 2023, BEL has said its order pipeline comprises Arudhra radar worth Rs 30 billion and 12 weapons detecting radars worth Rs 10 billion. BEL also has visibility on orders for Akash Prime from Bharat Dynamics worth Rs 40 billion, QRSAM (quick reaction surface-to-air missile) worth Rs 200 billion and MRSAM (medium range surface to air missile) worth Rs 150-200 billion.

Data Pattern (India) Limited operates in the segments such as radars, EW, communications, satellite systems, video and control systems and navigation, besides others. The company got listed on the BSE and National Stock Exchange on December 24, 2021. The issue size of its initial public offering was Rs 6,482.2 million with Rs 3,000 million as fresh allotment of shares and Rs 3,482.2 million through an offer for sale by the existing shareholders. Primary allotment consisted of Rs 600 million of private placement and Rs 2,400 million through the IPO. The product profile of the company comprises COTS module, ATE and test systems, space systems, RF and microwave products, EW, radar systems and sub-systems, avionics systems, communication systems, etc.

Centum electronics Limited operates in the electronics system design and manufacturing segment. The company operates in defence, space, aerospace, industrial, transportation and medical sectors. Its key business verticals are engineering R&D (ER&D) services, electronic manufacturing services (EMS) and build-to-specification, which accounted for 37%, 26% and 37%, respectively, of fiscal 2022 revenue of the company. Geographic break-up of revenue as follows: Europe 65%, North America 10% and Asia 25%.

Defence is the largest vertical of the company. The company develops and manufactures for defence programmes that span across the land, air and naval systems with applications in missiles, EW, radar, military communications and fire control. It is also among the private contractors for the ISRO. It is involved in various stages of design, development, qualification and production of electronic modules, sub-systems and systems for multiple applications in satellites and launch vehicles.

Alpha Design Technologies Private Limited was incorporated in 2003. It designs and develops defence electronics. The key focus areas of the company are optronics & LRF-based products, laser aiming systems thermal imagers & fire control systems, navigation systems, tactical communication, radar and C3I systems,

EW systems, simulators, microwave components & RF units, aerospace and space technology. Adani Defence acquired 26% stake in the company in December 2018 for Rs 4 billion. By virtue of shareholding, the company is a subsidiary of Vasaka Promoters & Developers Pvt Ltd. By virtue of control over the composition of the Board of Directors, it is a subsidiary of Adani Defence Systems and Technologies Ltd.

Tata Advanced Systems Limited (TASL) is a wholly owned subsidiary of Tata Sons. It is the strategic aerospace and defence arm of the Tata group. TASL is both an operating and a holding company. The company provides solutions across segments, such as aerostructures & aero-engines, airborne platforms & systems, defence & security and land mobility. The company has JVs with Sikorsky Aircraft Company USA, Lockheed Martin Aeroframe Corporation, ELTA Systems Ltd, Israel, and Boeing, US. These JVs operate in segments such as parts for the S-92 helicopter cabins, aerostructures for defence aircrafts, radars, communications, electronic warfare, homeland security and surveillance, and fuselages for AH-64 Apache helicopters.

DCX Systems Limited is a major manufacturer of electronic sub-systems and cable harnesses. The company's business verticals are system integration, cable harness and wire assemblies and kitting. System integration focuses on areas of radar systems, sensors, electronic warfare, missiles, and communication systems. The company's cables and wire harnesses vertical provide solutions on assemblies, such as radio frequency cables, co-axial, mixed signal, power and data cables for a variety of uses, including communication systems, sensors, surveillance systems, missile systems, military armoured vehicles and other electronic warfare systems for the aerospace and defence. Under the kitting vertical, the company supplies assembly ready kits of electronic and electro-mechanical parts

Paras Defence and Space Technologies Limited is engaged in designing, developing, manufacturing and testing of a wide range of defence and space engineering products and solutions. The company has offerings across segments such as defence and space optics, defence electronics, EMP protection, heavy engineering for defence and niche technologies. It is a supplier of critical imaging components, such as large size optics and diffractive gratings for space applications in India.

Key operational parameters of the players

Player	Order book as of Q3FY23 (Rs million)	Employees (FY22)	Segmental break-up of revenue (%; FY22)	Geographical break-up of revenue (%; FY22)	No of manufacturing & R&D facilities
Astra Microwave Products Limted	17,336	1,058 permanent and 182 contractual employees	• Defence: 45% • Space: 1% • Metrology/civil telecom: 6% • Exports: 47% • Others: 1%	• India: 67% • Outside India: 33% & 47% (including deemed exports)	• three manufacturing units in Hyderabad, India • one R&D unit each in Bengaluru and Hyderabad
Data Patterns (India) Limted	8,880	888, of which 662 are on-roll employees	Defence and aerospace is the key sector for the company. In terms of verticals, • Electronic Warfare: 26% • Radar: 23%	• India: 88% • Outside India: 12%	• one manufacturing unit in Chennai, India

Player	Order book as of Q3FY23 (Rs million)	Employees (FY22)	Segmental break-up of revenue (%; FY22)	Geographical break-up of revenue (%; FY22)	No of manufacturing & R&D facilities
			• Automated test equipment (ATE): 15% • Communications: 10% • Avionics: 9% • Others: 16%		
Bharat Electronics Limted	501,160	8,853	• Defence: 90% • Non-defence: 7% • Others: 2% • Exports: 2%	• India: 98% • Outside India: 2%	• nine manufacturing units across Bengaluru, Ghaziabad, Pune, Machilipatnam, Panchkula, Chennai, Kotdwara, Hyderabad and Navi Mumbai • R&D labs of BEL (Central Research Laboratory) are located in Bengaluru and Ghaziabad
Centum Electronics Limted	14,400	1,660	• Defence, space & aerospace: 44% • Transport & automotive: 30% • Industrial & energy: 17% • Healthcare: 9%	• India: 27% • Outside India: 73%	• One manufacturing unit in Bengaluru • One designing unit in France • Manufacturing and designing unit in Canada
Alpha Design Technologies Pvt Limted *	NA	NA	NA	• India: 13% • Outside India: 87%	• One manufacturing unit in Bengaluru
Tata Advanced Systems Limted *	NA	NA	• Defence & security: 72% • Aerostructures: 28%	NA	• The company has facilities in, Bengaluru, Hyderabad, Delhi NCR, Mumbai, Pune, Nagpur and Jamshedpur
DCX Systems Limted	21,540	As of Q1FY23, 98 full-time employees and 23 part-time and contract labourers	Defence and aerospace is the key sector for the company. In terms of verticals, • System integration: 85.3% • Cable and wire harness assemblies: 2.7% • Kitting: 12.0%	• India: 44% • Outside India: 56%	• One manufacturing unit in Bengaluru
Paras Defence and Space Technologies Limted	3,019 as of FY22	182	• Defence and space optics: 51% • Defence electronics & EMP solutions: 26% • Heavy engineering: 23%	• India: 87% • Outside India: 13%	• Two manufacturing units in Bengaluru and 1 R&D facility each in Navi Mumbai and Thane, Maharashtra

** Data for Alpha Design Technologies and Tata Advanced Systems are not available as they do not report operational data NA - not available*
Sources: Company reports, CRISIL MI&A

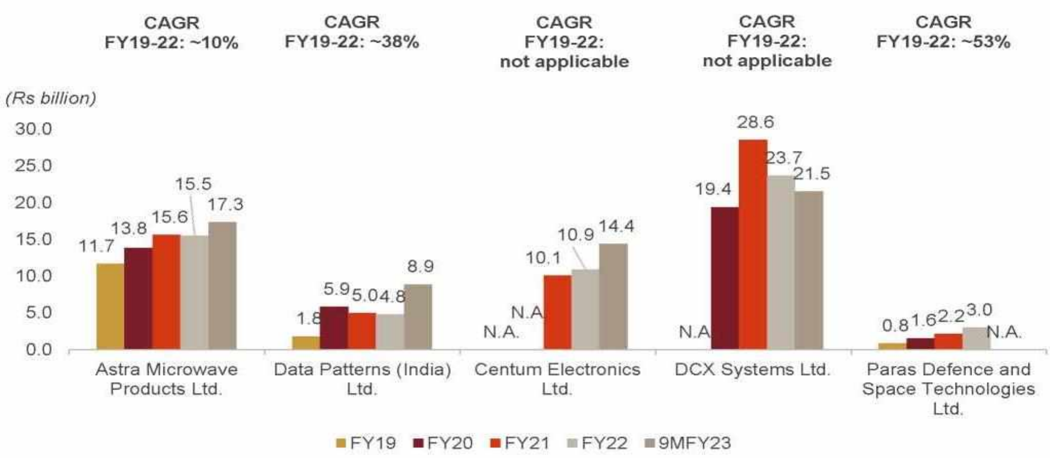
9. Astra Microwave has a healthy order book of Rs 17.3 billion as on December 31,2022. The order book has grown at a strong CAGR of ~10% over fiscals 2019-2022 beating the key defence public sector unit BEL, which saw 3.6% CAGR over the same period.

10. Data Patterns and Paras Defence registered strong growth in the order book over fiscals 2019-2022 - 38% and ~53%, respectively. However, the size of the order book and revenue are smaller than other key players, such as Astra Microwave, DCX, Centum etc. DCX has a strong order book as well. However, the company's key source of revenue is defence offset which accounted for ~87% of its fiscal 2022 revenue.

11. Centum had an order book of Rs 14.4 billion as of December 2022. The company is focussed on geographies beyond India. As much as ~73% of its fiscal 2022 revenue came from outside India. It operates in

defence, space & aerospace, transport & automotive, industrial & energy and healthcare sectors. Defence, space & aerospace account for ~44% of its revenue.

Order book of key players



Note: BEL's order book as of end-9MFY23 stood at Rs 501.2 billion. Given the significantly large size of its order book, it has not been represented in the above chart. BEL's order book witnessed a CAGR of ~3.6% over FY19-22.
NA - not available.
Order book data for Alpha Design Technologies and Tata Advanced Systems are not available as they do not report the data.

Key observations:

- Astra Microwave Products Limited (AMPL) is among the few private sector companies in India, which has the capability of designing, developing sub-systems for airborne radars for fighter jet platforms.

- Astra Microwave Products Limited (AMPL) is among the few companies in India to design, develop and supply radio proximity fuze, airborne diplexer, transponder, transmitter, and command guidance unit.

- Astra Microwave Products Limited (AMPL) has supplied wind profile radars and doppler radars and automatic weather stations to Indian Metrological Department and is one of the few companies in India who has the capability of designing and developing these radars.

- Astra Microwave Products Limited (AMPL) has been among the key players for the development of sub-systems for India's Radar Satellite & Geosynchronous Satellite pronram, Recourcecat, Menatropicc and Cartocat for Indian space programs by ISRO.

- Astra Microwave Products Limited (AMPL) is currently the only private Indian Company developing active array antenna unit ("**AAAU**") for airborne radars of finhter aircraft, LCA Mk2. The company has capability of designing and developing Gallium Nitride (GaN) TRMs and is working with defence agencies for incorporating such TRMs in modernizing existing radars of Su-30 Mk 1, LCA Mk 2 and AMCA fighter aircrafts.

- Astra Microwave Products Limited (AMPL) is one of the few private sector player in India that has the capability to develop and supply monolithic microwave integrated circuit (MMIC) products.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Also see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" on pages 37 and 262, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 60 and 260, respectively.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular the report titled "Assessment of Indian defence equipment manufacturing industry" dated February 2023, prepared by CRISIL Limited and commissioned by our Company from CRISIL Limited ("**CRISIL Report**").*

In this section, unless the context otherwise requires, any reference to "our Company" is to Astra Microwave Products Limited on a standalone basis and any reference to "we, us and our" is to Astra Microwave Products Limited, its Subsidiaries, its Associate and Joint Venture on a consolidated basis.

Overview

We are engaged in the business of designing, developing and manufacturing microwave and radio frequency systems, sub-systems and components. We are one of the few private sector manufacturers of critical microwave and radio frequency components, sub-systems and systems in India *(Source: CRISIL Report)*. Our Company is also amongst a few private sector players in India that has in-house capabilities of designing, developing and manufacturing critical microwave and radio frequency-based equipment (for instance, radars) that find applications across defence, aerospace, space, metrology, telecom and civil communications sectors *(Source: CRISIL Report)*. Some of our major clients include navratna public sector enterprises and large multinational defence electronics companies.

Our expertise in the development of critical microwave and radio frequency products with defence applications has enabled us to participate in several prestigious defence programs of India, such as Project Uttam where a fully engineered, qualified and deployable state-of-art Active Electronically Scanned Array Radar ("**AESAR**") has been developed indigenously with scalable architecture that can be adapted for various types of fighter class of airborne platforms *(Source: CRISIL Report)*. We are the only private sector company in India currently developing Active Aperture Array Unit ("**AAAU**"), one of the core components required for AESAR of fighter aircraft LCA Mk2 *(Source: CRISIL Report)*. We are the only private sector company in India which has Near Field Test Range ("**NFTR**") facility, which is required to test Radar sub-systems and systems *(Source: CRISIL Report)*. We are currently designing and developing the Active Array Transmitter Receiver Unit ("**AATRU**") with electronic warfare application for the Combat Aircraft Systems Development and Integration Centre ("**CASDIC**") of Defence Research and Development Organisation ("**DRDO**"). We also recently delivered 32 x 32 element S band phased array telemetry system ("**PATM 11**") and high and medium power radiation mode testing & evaluation facility for radar electronic warfare systems to DRDO.
We have also been part of the development of components for several space and meteorological programs in India as well. We have been among the key players for the development of sub-systems for India's Radar Satellite & Geosynchronous Satellite program, Resourcesat, Megatropics and Cartosat for Indian space programs by ISRO *(Source: CRISIL Report)*. We have also supplied wind profile radars and doppler radars and automatic weather stations to Indian Metrological Department and is one of the few companies in India who has the capability of designing and developing these radars *(Source: CRISIL Report)*.

We have five manufacturing facilities, including a 100% Export Oriented Unit ("**EOU**") in Telangana. We also have two R&D facilities, including a dedicated R&D center in Bengaluru for research and development of products in defence, security and civilian applications. Our R&D center in Bangalore has been recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India in 1994 and our manufacturing units are certified to meet ISO 9001:2015, ISO 27001:2013, ISO 45001:2018 and 14001:2015 standards as well as BS EN ISO 9001:2015 and AS9100D standards.

As a part of Government of India's ("**GOI**") recent emphasis on "Make in India" and "Aatmanirbhar Bharat" initiatives, the development of the domestic private defence sector has been emphasized upon. The GOI has put in place various initiatives encouraging Indian defence companies to source components locally and develop their products either through in-house R&D capabilities or develop and manufacture in India through foreign technology tie-up. We are well positioned to take advantage of these initiatives and improve our domestic orders. In accordance with the defence procurement procedure, as amended in 2020 we fall under the recently introduced category of capital procurement "Buy Indian-IDDM (Indigenously Designed, Developed and Manufactured)" which was introduced to promote the indigenous design and development of defence equipment. Further, as part of the Aatmanirbhar Bharat initiatives and to promote the private defence sector in India to manufacture these products using their own design and development capabilities, the Ministry of Defence has notified four positive indigenisation lists of sub-systems, assemblies, sub-assemblies and components along with a timeline for such products beyond which there would be an embargo on their import.

Further, the defence offset policy requires foreign vendors of certain categories of Indian defence contracts to *inter alia* source at least 30% of the value of the order from Indian manufacturers, subject to certain conditions prescribed therein. Our domain expertise and in-house capabilities has enabled us to be well poised to benefit from the offset requirements of foreign original equipment manufacturers ("**OEMs**") for manufacturing their products in India.

The following table set forth a breakup of our Company's revenue from operations on a standalone basis by each category of products for the periods indicated:

(in ₹ crores)

Revenue from sectors	For nine month period ended December 31, 2022	For the Financial Year		
		2022	2021	2020
Revenue from defence sector	347.48	333.08	177.98	72.15
Revenue from space sector	2.64	8.96	23.02	174.06
Revenue from meteorology sector	17.17	45.85	27.73	11.36
Revenue from exports (including deemed exports)	179.54	344.72	358.32	201.22
Revenue from other sectors	4.10	2.35	2.10	2.79
Total revenue from operations	**550.93**	**734.96**	**589.15**	**461.58**

Our order book as on December 31, 2022 is ₹1,733.60 crores, of which ₹941.00 crores is from the defence sector clients.

A brief summary of our consolidated financial performance for the nine month periods ended December 31, 2022 and December 31, 2021 and the Financial years 2022, 2021 and 2020 are as follows:

(in ₹ crores)

	For nine month period ended December 31, 2022	For nine month period ended December 31, 2021	For the Financial Year		
			2022	2021	2020
Revenue from operations	557.07	511.02	750.46	640.91	467.2
Profit/(Loss) before tax	77.99	34.63	50.21	38.55	59.14
Net Profit/ (Loss) for the year/period	56.31	26.97	37.87	28.85	44.04

Our experienced management team is a great contributor to our Company's sustained performance. Majority of our Board has either been with our Company for over a few decades or has prior experience in divisions of the GOI, thus, bringing in years of domain experience and relevant client-servicing guidance and industry relations. Specifically, our Managing Director, Sonnapureddy Gurunatha Reddy and Joint Managing Director, Maram Venkateshwar Reddy have 30 years and 25 years of experience in our Company, respectively. The Chairman of our Board, Dr. Avinash Chander, was a secretary of Defence R&D and Director General at DRDO and brings invaluable industry knowledge. In addition, to our management team, we believe that our skilled work force comprising of a large number of research and development professionals and skilled employees provide us with the depth of expertise and skills required to manage our business. We believe that our qualified and experienced management team and technically skilled employee base have contributed to the growth of our operations and the development of in - house processes and competencies.

We have received several awards over the years that bear testimony to our client servicing abilities. Some of our awards include, 'Deftronics Award 2017' by the Indian Electronics & Semiconductors Association in 2017 and the 'Certificate of Merit' for our outstanding performance in business excellence by the Electronic Industries Association of India for 2016-2017. For further details see "*Our Business - Awards and recognitions*" on page 326.

Our Strengths

Domain expertise in microwave and radio frequency systems and applications

With over 30 years of domain expertise in microwave and radio frequency applications, our Company has moved up the value chain from manufacturing sub-systems to development and manufacturing a wide range of high-end, critical microwave and radio frequency application-based equipment such as Monolithic Microwave Integrated Circuit ("**MMIC**") products, multi object tracking radar and airborne radars. We work on high value complex projects awarded by public sector enterprises and DRDO and our domain expertise in development of critical microwave and radio frequency products with defence applications has enabled us to participate in several prestigious defence programs of India. We are one of the few private sector manufacturers in India with in-house capabilities of designing, developing and manufacturing critical microwave and radio frequency based equipment that find applications across defence, space, meteorology and telecom and civil communications sectors.

Our Company has been a supplier of Transmitter Receiver Modules ("**TRMs**"), which are built using MMICs designed and developed by us, to the Government of India as part of the Airborne Early Warning and Control System ("**AEW&CS**") programs. We have also supplied transportable wind profiler, doppler weather radars and automatic weather stations to Indian Meteorological Department and we are one of the few companies in India who has the capability of designing and developing these radars. We are also among the few companies in India to design, develop and supply radio proximity fuze, airborne diplexer, transponder, transmitter, and command guidance unit *(Source: CRISIL Report).*

Strong research and development capabilities

We have a dedicated research and development facility in Bengaluru with modern equipment, and a well-established team of R&D professionals. We also have a research and development facility in Hyderabad at Unit-III. Across the two research and development facilities, we have over 455 R&D professionals. Over 71 professionals of our R&D team have a masters degree, two professionals hold doctorate degrees and over 100 of the professionals have decade-plus experience in the field of research and development of microwave and radiofrequency applications.

Our R&D facility in Bengaluru and in Unit-III has been recognized by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

Our research and development team combined with our in-house capabilities have enabled us to create a strong track record of new product development and research and development of sub-systems for various defence, space and meteorological programs. We are one of the few private sector players in India that has the capability to develop and supply MMIC products. We have the capability of designing and developing Gallium Nitride ("**GaN**") TRMs and are currently working with defence agencies for incorporating such TRMs in modernizing existing radars of Su-30 Mk 1, LCA Mk 2 and AMCA fighter aircrafts *(Source: CRISIL Report)* We continue to invest in building and upgrading our research and development facility. During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, we have incurred research and development expenditure of ₹22.49 crores, ₹35.96 crores, ₹22.50 crores and ₹22.25 crores, respectively.

Advanced manufacturing facilities

Our five manufacturing facilities in Telangana house modern equipment and technologies and are certified to meet ISO 9001:2015, ISO 27001:2013, ISO 45001:2018 and 14001:2015 standards as well as BS EN ISO 9001:2015 and AS9100D standards. Further, the EMC test services of our Company has been certified to be in compliance with ISO/IEC 17025:2017 standard on general requirements for competence of testing and calibration laboratories.

Pursuant to our advanced manufacturing as well as research and development facilities, we have strong in-house capabilities to execute orders through Build to Specifications ("**BTS**") and Build to Print ("**BTP**") routes. It also enables us to undertake complex design, development and supply orders for critical microwave and radio frequency components. Recently we completed doppler weather radar production order for Indian Meteorological Department. We also delivered the first AAAU for airborne AESA radar, PATM-II and high and medium power radiation mode testing & evaluation facility for radar electronic warfare systems. We have also entered into a joint venture agreement with a foreign OEM to further deepen our development and manufacturing capabilities.

Longstanding relationship with our customers

We have long standing relationship with our customers across defence, space and meteorological sectors including various PSUs and government organisations including the DRDO, ISRO and IMD. We have been recognized as qualified vendor by defense research establishments. For instance, we develop and produce products for several DRDO systems with microwave and radio frequency applications. We also have strong relations with foreign OEMs and have been their preferred partner in India to meet the offset requirements.

Our domain expertise and over 30 years of experience in designing, developing and manufacturing microwave and radio frequency application-based products, has enabled us to develop a deep understanding of our customers' requirements. We have high client stickiness and retention due to the niche markets of defence and space with high barriers to entry. We continue to develop and/or deliver our products to various PSUs and government organisations including the DRDO, ISRO and IMD as well foreign OEMs.

Our Strategies

New product development to accelerate growth

We have a robust product pipeline consisting of the ongoing projects, including the development of S-band pulsed phased array tracking radar ("**PPTAR**") and the AATRU with electronic warfare application. Recently in 2022, we delivered the AAAU units that we had developed with DRDO for the AESAR, the airborne radar, in LCA aircrafts.

We continue to develop products in close association with government research organizations for defense and space. We believe we will be able to leverage our strong research and development capabilities to broaden our domestic offerings. We intend to grow our business by producing new and innovative products that enable us to deep our presence in existing segments and expand our product offerings to enter new market segments, such as commercial end-user market for radars. We believe we are well positioned to take advantage of the "make in India" initiatives, such as the recent the recent policy measures by Government of India promoting indigenous shipborne radars.

Continued focus on strengthening R&D capabilities

During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, we have incurred expenditure towards research and development of ₹22.49 crores, ₹35.96 crores, ₹22.50 crores and ₹22.25 crores, respectively. We shall continue to invest on building our research and development capabilities, with a focus on developing digital expertise to expand its product offerings to become a total system supplier. We shall continue to invest in modern technology and equipment's to address changing industry trends and customer requirements.

We continue to identify various strategic initiatives to improve our operational efficiencies and invest in modern technology and equipment to upgrade the quality and functionality of our products to address changing industry trends and customer requirements. We believe that it is critical for sub-system manufacturers to work closely with their key customers for designing, developing and production activities. A strong understanding of the customers' requirements based on their future product development programs is essential. To harness growing market opportunities and to maintain its lead position of a quality, reliable and cost-effective technology supplier, we intend to focus on enhancing our technical knowhow to the next generation by assimilation of technology and using our strong R&D capabilities.

Entering into joint ventures and strategic alliances

Our Company has in the past collaborated with Rafael Advanced Defence Systems ("**Rafael**") and set up Astra-Rafael Comsys Pvt Ltd ("**ARC**"), a joint venture company, which is the business of manufacturing high-end software defined radios, EW & SIGINT Systems and EO Systems. We recently entered into an agreement with Rafael, our JV partner, to expand our product offerings by taking up development, manufacture, integration, customisation and product support of electro optics systems in India. We shall continue to evaluate opportunities to collaborate with global OEMs by way of joint venture arrangements or strategic alliances and strengthen our technology, increase our product offerings and to utilise the opportunity in the current market pursuant to the offset requirement in large defence procurement programmes of GoI. We shall also consider similar opportunities with our established players to enter other markets such as anti-drone, satellites, SDRs and electro-optics.

To reap benefits of sectoral tailwinds and increase our domestic sales

The Government of India has taken a series of initiatives including "Make in India", "Atma Nirbhar Bharat" and imports embargo to promote indigenization of the defence sector. Further, Government of India's growing defence expenditure to modernize and strengthen homeland security along with the "Make in India" initiatives are expected to drive the growth in the defence manufacturing industry. In accordance with the defence procurement procedure, as amended in 2020 we fall under the recently introduced category of capital procurement "Buy Indian-IDDM (Indigenously Designed, Developed and Manufactured)" which was introduced to promote the indigenous design and development of defence equipment. Further, as part of the Aatmanirbhar Bharat initiatives and to promote the private defence sector in India to manufacture these products using their own design and development capabilities, the Ministry of Defence has notified four positive indigenisation lists of sub-systems, assemblies, sub-assemblies and components along with a timeline for such products beyond which there would be an embargo on their import.

With the increased demand for Indian manufacturers and our manufacturing and research and development capabilities, we shall focus on increasing the domestic sales of our products by expanding our product offerings and participating in the tenders from PSUs and government organisations for the development and manufacturing of the complete radar systems in future defence projects.

Our Products

Our Company's business activities comprise of designing, developing and manufacturing a wide array of radio frequency systems, microwave chips, microwave-based components and subsystems and associated digital electronics. We also manufacture associated digital electronics for OEMs of radars, telemetry equipment's, ground based surveillance, satellite communications, equipment's used in defence sector like missiles, light combat aircrafts and equipment's used for meteorology, etc.

We manufacture our products under two models:

Built to Specifications ("BTS")

Under this model, we design, develop, and test the product before the finished product is manufactured by us and provided to our customer. The BTS system helps our Company design, create prototypes, produce and test & qualify the products. The step-by-step process of the BTS system is given below:

Receipt of order via tender route	R&D	Realization of the Product	Approved from Authority	Approved from Authority
• Receipt of order from the customers (such as government research organizations, etc.) • Customers provide the electrical and mechanical specifications of the modules or sub-systems as per their system requirements	• Work with the customer team to specify the target specifications of the required module or sub system presenting the various options and latest technologies involved lo finalize the target specifications.	• Realizing the product using the engineering expertise in-house and deliver a fully qualified product (airborne, naval or ground application) lo its customers.	• Once the system Is qualified by the customer production orders are released.	• Works with systems integrators like DPSUs (Defence Public Sector Undertakings and others) for commercialization of the products

Our Company's strong relationship with large public sector corporations combined with our research and development expertise and in-house testing facilities helps us in establishing ourselves as prime contractors for large and longer-term programs in the BTS marketplace.

Built to Print ("BTP")

Under this model, our customer provides us with the complete manufacturing details of their requirements, and we manufacture and deliver the product. The BTP system helps our Company in bulk production and testing & qualification. The step-by-step process of the BTP system is given below:

Receipt of order from global OEMs	Approval from Authority	Production
• Works with many foreign OEMS for producing their products in India under this mode for meeting their offset requirements.	• Once the prototype Is approved by the OEM, production commences.	• Production based on designs shared by OEMs.

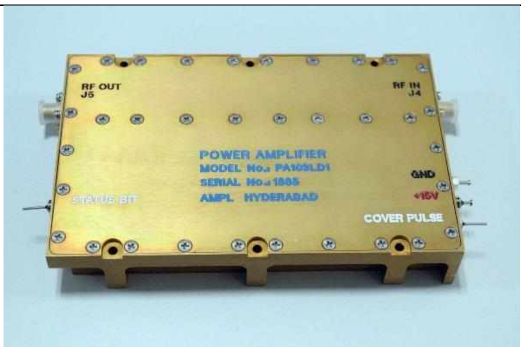
Set out below are our key business verticals and the nature of products we cater to in each vertical:

Defence	Space	Meteorology	Other areas
• Radars, • Transmit/Receive Modules • Processors • Transmitters • Radio Proximity Fuze • Amplifiers • Jammers	• Automatic Weather Stations • Transmit/Receiver Modules • MSS Type-D terminal • Flux tower agricultural met tower • Transmitters • Power Amplifiers	• Automatic Weather Stations • Met Towers • Doppler Weather Radar • Water Level Measurement Sensors	• Antennas • MMIC • Contract manufacturing • Homeland security

Defence Sector vertical

Defence sector is one of the key contributors to our revenue. We have long standing relations with defence PSUs and DRDO. Our domain expertise in development of critical microwave and radio frequency products with defence applications has enabled us to participate in several prestigious defence programmes of India. During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, our revenue from our customers in the defence sector accounted for 63.07%, 45.32%, 30.21% and 15.63% of our revenue from operations. Our Company designs, develops, manufactures, supplies parts, equipment and sub-systems for the defence sector in India, comprising of the products for radars, telemetry, missiles and electronic warfare. Set out below are our select products in the defence sector:

Product Images	***Products***
	Radars
	Transmit/Receive Modules
	Transmitters

	Radio proximity fuze
	Amplifiers
	Jammers

Radars

We design and develop sub-systems for radars including power amplifiers, receivers, exciters, synthesizers and converters. We design and develop Gallium Nitride TRMs and are currently working with defence agencies for incorporating such TRMs in modernizing existing radars of Su-30 Mk 1, LCA Mk 2 and AMCA fighter aircrafts *(Source: CRISIL Report)*.

We are the only private sector company in India currently developing Active Aperture Array Unit ("**AAAU**"), one of the core components required for AESAR of fighter aircraft LCA Mk2 *(Source: CRISIL Report)* In the past, we have manufactured components for low power microwave sub-systems for central acquisition radar (CAR) and electronic beam former for 3-D radar which is used for ground surveillance, microwave receivers for receiving the signal and down conversion for data portrait to display the system, high power 4-port circulators and high power limiters for system protection and for power limiting respectively.

Our Company has recently undertaken development of PPATR, Compact Telemetry System and, Counter Unmanned Aircraft Systems.
Telemetry

We supply sub-systems for telemetry applications such as, S-Band 10 Watt & 1 watt transmitters, telemetry encoder with recorder, S band transponder, wide band transmitter and receiver, and telecommand receiver. These sub-systems are used to create wireless communication systems which transmit data about the health, security and performance of missiles. telemetry tracking systems to track the target in missile and aircrafts, telemetry sub-systems systems for LCA, video telemetry receivers, for receiving the telemetry data during trails and telemetry tracking systems, to track the target in missile and aircraft. We have also manufactured 1-watt and 10-watt telemetry transmitters for missile applications. These transmitters are for monitoring the data during firing trails.

Missiles

We design, develop and supply components and sub-systems for missiles such as, radio proximity fuze, airborne diplexer and transponders. Our Company has also taken up development of TeraHertz Proximity Sensor with DRDO which is an advanced version of a proximity sensor for guided weapons. We have also been associated with the program to develop AESA Seekers for Submarine Launched Cruise Missile & Astra missiles.

Electronic Warfare

Our Company supplies various sub-systems and components for electronic warfare to defence PSUs such as direction-finding receivers and Passive Homing Head for RF Seekers. We have been associated with the jammers program of LCA and other fighter platforms in India.

For ground-based surveillance, we manufacture VHF/UHF and microwave range front-end, LRUs and VHF/UHF and microwave range biconical, dual-polarised antennae. We also manufacture components for army purposes like 8-Ch and 16-Ch frequency synthesizer.

Exports Sector vertical

Majority of our export business is driven by the Defence offset policy of the Government of India, pursuant to which, our Company manufactures and exports (including deemed export) various critical sub-systems for foreign OEMs to meet their offset requirements under the defence contracts under BTP (Built To Print) model finding application in radars and other aerospace applications. Our company has a dedicated 100% EoU unit in Hyderabad catering to the export orders (including deemed exports) of the Company. During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, our revenue from our exports (including deemed exports) accounted for 32.59%, 46.90%, 60.82% and 43.59% of our revenue from operations.

Space sector vertical

Our Company designs, develops and manufactures components and sub-systems used in ground-based modules and S-level (on-board) modules. We have been among the key players for the development of sub-systems for India's Radar Satellite & Geosynchronous Satellite program, Resourcesat, Megatropics and Cartosat for Indian space programs by ISRO *(Source: CRISIL Report)*. During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, our revenue from our customers in the space sector accounted for 0.48%, 1.22%, 3.99% and 37.71% of our revenue from operations.

Set out below are our select products in the space sector:

Product Images	***Products***
	Transmit/Receiver Modules
  	MSS Type-D terminals
	Agricultural met tower

	Transmitters
	Power Amplifiers

Ground-based

We manufacture various ground based parts, equipment's, sub systems namely, MSS type-D terminals, 8x8 routers, automatic weather stations, 50 M micro met, flux tower agricultural met tower, layer mast tower, very high frequency/ultra-high frequency transmit receiver modules,16 channel transceivers L- band TR module, L-Band transmit receiver unit, channel amplifier, multilayer printed antenna and L-Band TR module.

S-level (on board) model

We manufacture various S-level (on-board) parts and sub systems which includes C-band T/R modules, 8 x 8 switch matrix, power amplifier modules, 2,3,4 & 12 W power divider for radar imaging satellite ("**RISAT**"), fabrication of RISAT Antennas, X-Band phase shifter power amplifiers, S- Band transmitters, Ku-band MMIC receivers, TR controller units, etc.

Meteorology sector vertical

Our Company supplies, installations and manufactures various parts, equipment's and sub-systems namely meteorological products like automatic weather stations, telemetric rain gauge stations, water level and metrological stations, agro automatic weather stations and 50 meter tower masts. Automatic weather station meteorological equipment that is used to study, measure and monitor various weather and climatic conditions in the area it is installed *(Source: CRISIL Report)*. The automatic weather stations have sensors that convert these measurements into electronic signals that are further turned into meteorological data points *(Source: CRISIL Report)*. During the nine month period ended December 31, 2022 and the Financial years 2022, 2021 and 2020, our revenue from our customers in the meteorology sector accounted for 3.12%, 6.24%, 4.71% and 2.46% of our revenue from operations.

Set out below are our select products in the meteorology sector:

Product Images	***Products***
	Automatic Weather Stations

	Met Towers
	Water level measurement sensors

Others

Telecom sector: Our Company has manufactured the following telecom products GSM/Ext GSM, radio frequency and optical mobile jammers, tower mounted amplifiers, tower mounted boosters and band pass and CDMA filters. We have also designed and developed cell jammers and V SAT antennas in Ku band, CDMA filters and optical repeater for cellular application.

Order Book

Set forth below are details of our Company's Order Book as on December 31, 2022 on a standalone basis:

Particulars	Order volume contribution in %	Value (₹ in crore)
Defence sector vertical	54	941
Exports sector vertical	31	541
Space sector vertical	12	211
Meteorology sector vertical	3	40
Others	0	0
Total	**100.00**	**1,733.00**

Our Milestones

Our journey since incorporation comprises of significant milestones that have expanded our business across various sectors over the last 30 years, our Company has achieved certain milestones, such as, delivery of PATM-II and high and medium power radiation mode testing & evaluation facility for radar electronic warfare systems to DRDO, delivery of AAAU for air-borne AESA radar, delivery of doppler weather radar production order for the Indian Meteorological Department etc.

Our Facilities

Manufacturing Facilities

Our Company commenced operations in the year 1991 by designing, developing and manufacturing radio transistors, receivers and cell jammers and over a period of three decades we have designed, developed and manufactured complex radio frequency systems, microwave chips, microwave-based components and associated digital electronics, catering to the needs of both domestic and international customers.

We have five manufacturing units across Hyderabad, Telangana and all our units design, develop and manufacture inter alia radio frequency systems, microwave chips, microwave-based components and subsystems and associated digital electronics. Set out below are our facilities and their capabilities:

Unit	Location	Facility capabilities
Unit I	Medak district	Automatic Weather Station and other Hydrology & Meteorology
Unit II	Medak district	Near Field Test Range, Out-Door Test Range, Multi-Layer Antenna Fabrication
Unit III*	Ranga Reddy District	Clean Room Laser, Welding and Vibration Table
Unit IV	Ranga Reddy District	EMI/EMC Halt/Hass Chamber and ESS Chamber
Unit V	Ranga Reddy District	MIC Facility, CNC Drilling, Copper Plating, Gold Plating and Etching Development

** We also undertake research and development at this facility*

The design and development of our products is carried out by our in-house research and development units. Our Subsidiaries carry out certain functions in developing our products. Bhavyabhanu Electronics Private Limited, manufactures, and processes automatic assembly services and otherwise deals in all kinds of electronic machinery, spares and other types of consultancy services in the field of electronic machinery and equipment. Aelius Semiconductors Pte. Limited, is involved in design, development and marketing of high performance GaAs (Galium Arsenide) and GaN (Galium Nitride) based MMICs (Monolithic Microwave Integrated Circuits) to international customers.

Research and Development Facility

We have one dedicated research and development facility at Bangalore. Our dedicated unit for research and development is situated at No 36-40, Dummanahalli, and 8 Part of Unacharu villages, Jala Hobli, Bengaluru, Yelahanka Taluk, Bengaluru, and is recognized by the Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India. As of December 31, 2022, our employee strength at the research and development facilities in Bengaluru and Hyderabad are over 455 R&D professionals.

Our key business sectors the research and development facility caters to are primarily the defence sector, space sector and meteorology sector.

Our research and development expenditures over the past three financial year are set out below:

Financial Year	R&D expenditure (₹ in crore)	% of revenue from operations
2022	35.96	4.89
2021	22.50	3.82
2020	22.25	4.82

Our manufacturing and research and development facilities typically cater to three functions of installation and testing of products.

Raw materials

The principal raw materials we use for our products like capacitors, resistors, diodes, transistor, integrated circuit, inductors, connectors, amplifiers, antennas and adapters include, glass, ceramic, gallium arsenide, silicon, copper, lead, etc. Other important raw materials that we use in the manufacturing process are P.A.S housing, wafers, magnesium alloy, circulators, dielectric resonator reginel oscillator, power amplifier assembly, power amplifier assembly and transistors.

We source our raw materials from a wide pool of vendors in India and internationally. We believe that this helps us reduce our dependence on few large vendors and thereby minimize risks of supply disruption and price.

Information Technology

We are an information technology enabled organisation with systems and infrastructure set up at our offices and manufacturing units. Presently, we have implemented technology and solutions such as sonicwall. We have implemented a SAP-ERP system that covers production planning, vendor accounts, raw material stocks, inventory management, finance, sales, stores, purchase, and payroll. Our Company and our units are certified by Intertek Certification Limited for security management system, confirming to the requirement of ISO 27001:2013, ISO 14001:2015 and ISO 45001:2018 certificates (in relation to design, development, production, marketing and supply of RF and microwave components, sub systems and systems, MMIC antennas, automatic weather systems, repeaters and filters used in defence, space, meteorology and telecommunications).

Corporate Social Responsibility

The Board of Directors of the Company has constituted a corporate social responsibility committee consisting of three Directors, one of whom is an Independent Director. The Board of Directors will ensure that at least 2% of the average net profit of the preceding three years is spent on activities covered under our CSR Policy *inter alia* promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects and contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women. In Fiscal 2022, our Company's expenditure for corporate social responsibility activities accounted for 0.79 crores.

Human Resource

As on December 31, 2022, we have over 1,116 permanent employees, of which our employee strength at the research and development facility consists of 455 employees. We consider our employees as a critical factor to our success and engage in a human resource strategy that addresses key aspects of human resource development and focuses heavily on recruiting, training and retaining our employees, as well as offering them competitive compensation.

Awards and recognition

Our Company has received various industry and client specific accreditations and certifications which allow us to deliver and supply quality products to our customers. Intertek Certification Limited has certified our quality management system, for our units, to be confirming to the requirement of ISO 9001:2015 certificates (in relation to the supply of microwave components, equipment, antennas and MMIC for defence, space and telecommunication applications). Our Company and our units are certified by Intertek Certification Limited for security management system, confirming to the requirement of ISO 27001:2013 certificates (in relation to design, development, production, marketing and supply of RF and microwave components, sub systems and systems, MMIC antennas, automatic weather systems, repeaters and filters used in defence, space, meterology and telecommunications).

Our Company has been awarded:

- 'Deftronics Award 2017' by the Indian Electronics & Semiconductors Association in 2017;
- 'Certificate of Merit' for our outstanding performance in business excellence by the Electronic Industries Association of India for 2016-2017; and
- 'Certificate of Merit' for our outstanding performance in quality (large scale) by the Electronic Industries Association of India for 2015-2016.

The National Quality Assurance, USA has also granted a certificate of registration that the quality management system, of unit IV of our Company, applicable to the production and supply of transmit/receive modules for RF systems, to be assessed and certified to meet BS EN ISO 9001:2015 and AS9100D standards.

We believe that these accreditations and certifications help us in maintaining long term relationships with our customers.

Property

We own the land at Medak district and at Ranga Reddy district in the state of Telangana where our respective manufacturing units are located. We also own the land in Bengaluru where our dedicated research and development facility is located. Our registered and corporate office at Hyderabad is also owned by us.

Competition

Competition is primarily based on availability of product, product range, quality, price, reputation, customer service and customer convenience. Some of our major competitors in the industry include Alfa Designs Private Limited, Data Patterns (India) Private Limited, Bharat Electronics Limited and DCX Systems Limited We believe our wide experience, accredited manufacturing facilities coupled with, marketing initiatives, use of advanced technology, management of resources and scale of operations provides us with competitive advantages.

ORGANIZATIONAL STRUCTURE

Corporate History

Our company was incorporated as 'Astra Microwave Products Private Limited' on September 13, 1991 in the state of Andhra Pradesh as a private limited company under the Companies Act, 1956, as amended. Thereafter, our Company was converted into a public limited company, the word 'private' was struck off from the name of our Company and consequently, a fresh certificate of incorporation consequent upon change of name dated April 6, 1993 was issued by the RoC recording the change in the name of our Company to 'Astra Microwave Products Limited'. The Equity Shares of our Company were listed on the Stock Exchanges on April 8, 2003.

The CIN of our Company is L29309TG1991PLC013203 and our Registered Office is situated at ASTRA Towers, Survey No:12 (Part) Opp. CII Green Building, Hitech City, Kondapur, Hyderabad 500 084, Telangana, India.

Organizational Structure

Subsidiaries

1. Aelius Semicondoctors Pte. Limited;
2. Astra Foundation; and
3. Bhavyabhanu Electronics Private Limited.

Associate

1. Janyu Technologies Private Limited

Joint Venture

1. Astra Rafael Comsys Private Limited

For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 18 and 60, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles of Association, our Company shall not be less than three Directors and not more than 12 Directors. As on the date of this Preliminary Placement Document, our Board comprises six Directors, including three Executive Directors and three Non-Executive Directors of which two Independent Directors. We have one woman Director on our Board.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Sr. No.	Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (in years)	Designation
1.	**Sonnapureddy Gurunatha Reddy** **Address:** H. No 1-120/TM/3A, Flat No. 3A, Ten Madhapur, Vittal Rao Nagar, Huda Techno Enclave, Madhapur, Serilingampally, Hyderabad 500 081, Telangana, India **Occupation:** Professional **Nationality:** Indian **Term**: With effect from April 1, 2019 to April 29, 2023, liable to retire by rotation **Date of birth**: February 15, 1959 **DIN**: 00003828	64	Managing Director
2.	**Maram Venkateshwar Reddy** **Address**: 2-17-124/11, Sai Ram Nagar, Uppal, Rangareddi, Hyderabad 500 039, Telangana, India **Occupation**: Professional **Nationality:** Indian **Term**: With effect from April 1, 2019 to April 29, 2023, liable to retire by rotation **Date of birth:** May 1, 1967 **DIN**: 00421401	55	Joint Managing Director
3.	**Prakash Anand Chitrakar** **Address**: 17-1-383/8/A, Plot No. 8/A, Vinay Nagar Colony, Near Vijaya Vinayaka Temple, Saidabad, Hyderabad 500 059, Telangana, India **Occupation**: Service **Nationality:** Indian **Term**: With effect from November 10, 2021 and is liable to retire by rotation **Date of birth:** January 24, 1951 **DIN**: 00003213	72	Non-Executive Director
4.	**Atim Kabra** **Address**: 11, Nathan Road #07-01, Regency PK 248 732, Singapore **Occupation**: Professional **Nationality:** Indian **Term**: With effect from January 1, 2023 for a period of five years liable to retire by rotation	54	Whole Time Director

Sr. No.	Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (in years)	Designation
	Date of birth: September 5, 1968 **DIN**: 00003366		
5.	**Dr. Avinash Chander** **Address**: Villa No 95, Palm Meadows, Gundla Pochampally Road, Kompally, Kompalle, X.y. Rangareddy, Hyderabad 500 014, Telangana, India **Occupation**: Professional **Nationality:** Indian **Term**: With effect from January 29, 2023 up to January 28, 2028 and not liable to retire by rotation **Date of birth:** November 6, 1950 **DIN**: 05288690	72	Chairman and Non-Executive and Independent Director
6.	**Kiran Dhingra** **Address**: H. No. 83-C, Gancim Batim, Goa, Velha, North Goa, Goa 403 108, Goa India **Occupation**: Professional **Nationality:** Indian **Term**: With effect from June 24, 2022 to June 23, 2025 and not liable to retire by rotation **Date of birth:** January 12, 1953 **DIN**: 00425602	70	Non-Executive and Independent Director

Brief Biographies of the Directors

Sonnapureddy Gurunatha Reddy is the Managing Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He has been associated with our Company since April 25, 1993.

Maram Venkateshwar Reddy is the Joint Managing Director of our Company. He holds a bachelor's degree in engineering (electronics) from Marathwada University and master's degree in business administration from Sikkim Manipal University. He has been associated with our Company since February 23, 1998.

Prakash Anand Chitrakar is a Non-Executive Director of our Company. He holds a master's degree in science from University of Mysore and was admitted to the executive council to the degree of master of technology in advanced electronics of Jawaharlal Nehru Technological University, Hyderabad. Prior to this, he was associated with DRDO, Ministry of Defence as scientist E.

Atim Kabra is a wholetime Director of our Company. He holds a bachelor's degree in arts (economics honours) from University of Delhi and master's degree in management studies from Mumbai University. Prior to this, he founded Frontline Strategy Funds Pte Limited where he is currently a managing director.

Dr. Avinash Chander is the Chairman and Independent Director of our Company. Prior to this, he was a secretary of Defence R&D and Director General at DRDO.

Kiran Dhingra is an Independent Woman Director of our Company. She is a retired officer with the Indian Administrative Services and has previously served as Secretary, Ministry of Housing and Urban Poverty Alleviation of the Government of India. Prior to that she was Director General (Shipping), in the Ministry of Shipping of the Government of India and Joint Secretary in the Textiles Ministry of the Government of India. She has also served as Chief Secretary, Goa. She was also a chairperson of the board of governors of National Institute of Fashion Technology.

Relationship with other Directors

None of our Directors are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated July 31, 2014 passed by our Shareholders, our Board of Directors has been authorised to borrow an amount not exceeding the aggregate of the paid up capital and free reserves by more than ₹1,000 crore.

Interests of our Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law.

Except as stated in "*Financial Statements*" on page 60, and as disclosed in this section, our Directors do not have any other interest in the business of our Company.

The Directors may also be regarded as interested in the Equity Shares held by them (as disclosed below) or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Issue.

None of the Directors, Promoter or Senior Managementof our Company have any financial or other material interest in this Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any Director was selected as a Director.

Furthermore, our Directors have not taken any loans from our Company.

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Preliminary Placement Document, except as disclosed below, none of the Directors hold any Equity Shares of our Company.

S. No.	Name of the Director	Number of Equity Shares	Percentage of the Equity Share Capital (%)
1.	Sonnapureddy Gurunatha Reddy	88,465	0.10
2.	Maram Venkateshwar Reddy	61,350	0.07
3.	Atim Kabra	33,56,074	3.87
4.	Prakash Anand Chitrakar	32,40,830	3.74

Terms of appointment of Directors

1. **Remuneration to Executive Director:**

Sonnapureddy Gurunatha Reddy

Pursuant to an agreement dated May 9, 2019, our Company has set out the terms of the remuneration and other employee benefits payable to Sonnapureddy Gurunatha Reddy. A description of remuneration payable to Sonnapureddy Gurunatha Reddy as per the Board resolution dated March 30, 2019 and the Shareholders' resolution dated August 14, 2019 is provided below:

Salary Components	Description (in ₹)
Basic Salary	2,70,000 per month
Performance Bonus	1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 and payable at quarterly intervals. The total performance bonus for any particular year will be based on final audited result of that year and excess payment if any will be adjusted in the succeeding year.
Perquisites	He is entitled to house rent allowance, medical reimbursement, leave travel allowance, leave encashment, statutory bonus, company maintained car, telephone, club fees and such other perquisites in accordance with Company's rules.

** In the event of loss or inadequacy of profits in any financial year during his tenure as the Managing Director, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013, in force or as amended from time to time.*

Maram Venkateshwar Reddy

Pursuant to an agreement dated May 9, 2019, our Company has set out the terms of the remuneration and other employee benefits payable to Maram Venkateshwar Reddy. A description of remuneration payable to Maram Venkateshwar Reddy as per the Board resolution dated March 30, 2019 and the Shareholders' resolution dated August 14, 2019 is provided below:

Salary Components	Description (in ₹)
Basic Salary	2,70,000 per month
Performance Bonus	1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 and payable at quarterly intervals. The total performance bonus for any particular year will be based on final audited result of that year and excess payment if any will be adjusted in the succeeding year.
Perquisites	He is entitled to house rent allowance, medical reimbursement, leave travel allowance, leave encashment, statutory bonus, company maintained car, telephone, club fees and such other perquisites in accordance with Company's rules.

** In the event of loss or inadequacy of profits in any financial year during his tenure as the Joint Managing Director, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013, in force or as amended from time to time.*

Atim Kabra

Pursuant to an agreement dated March 9, 2023, our Company has set out the terms of the remuneration and other employee benefits payable to Atim Kabra. A description of remuneration payable to Atim Kabra as per the Board resolution dated December 9, 2022 and the Shareholders' resolution dated February 14, 2023 is provided below:

Salary Components	Description (in ₹)
Basic Salary	1,05,000 per month
Rent Free Accommodation (maximum)	3,50,000 per month
Company leased car (maximum)	45,000 per month
Perquisites	He is entitled to statutory bonus, contribution towards provident fund and gratuity in accordance with Company's rules.

** In the event of loss or inadequacy of profits in any financial year during his tenure as the Joint Managing Director, he shall be paid a remuneration as prescribed under Section II of Part II of the Schedule V to the Companies Act, 2013, in force or as amended from time to time.*

2. Remuneration to Non-Executive Directors:

Sitting fees to Non-Executive Directors

Pursuant to the resolution passed by the Board at its meeting held on May 26, 2021, our Non-Executive Directors are entitled to receive sitting fees of ₹50,000 for attending a meeting of the Board and no fees is paid for the committee meetings.

Compensation to Non-Executive Directors

The following table sets forth the commission paid by our Company to the Non-Executive Directors of our Company during the nine months period ended December 31, 2022, Fiscals 2022, 2021 and 2020:

(in ₹ crore)

S. No.	Name of Director	Commission			
		Fiscal 2020	Fiscal 2021	Fiscal 2022	From April 1, 2022 to December 31, 2022
1.	Prakash Anand Chitrakar	Nil*	Nil*	Nil*	Nil
2.	Atim Kabra^	0.08	0.06	0.14	Nil
3.	Dr. Avinash Chander	0.08	0.06	0.14	Nil
4.	Kiran Dhingra^	0.08	0.06	0.14	Nil

**Prakash Anand Chitrakar was appointed as an additional Director on November 10, 2021.*

^ Atim Kabra and Kiran Dhingra were appointed as Directors on June 24, 2019.

The following table sets forth the sitting fees paid by our Company to the Non-Executive Directors of our Company during the quarter ended December 31, 2022, Fiscals 2022, 2021 and 2020:

(in ₹ crore)

S. No.	Name of Director	Sitting Fees^			
		Fiscal 2020	Fiscal 2021	Fiscal 2022	From April 1, 2022 to December 31, 2022
1.	Prakash Anand Chitrakar	Nil*	Nil*	Nil*	0.02
2.	Atim Kabra^	0.00#	0.01	0.02	0.02

S. No.	Name of Director	Sitting Fees^			
		Fiscal 2020	Fiscal 2021	Fiscal 2022	From April 1, 2022 to December 31, 2022
3.	Dr. Avinash Chander	0.01	0.01	0.02	0.02
4.	Kiran Dhingra^	0.00#	0.01	0.02	0.02

**Prakash Anand Chitrakar was appointed as an additional Director on November 10, 2021.*
^ Atim Kabra and Kiran Dhingra were appointed as Directors on June 24, 2019.
 # less than 0.01

Compensation to the Executive Directors

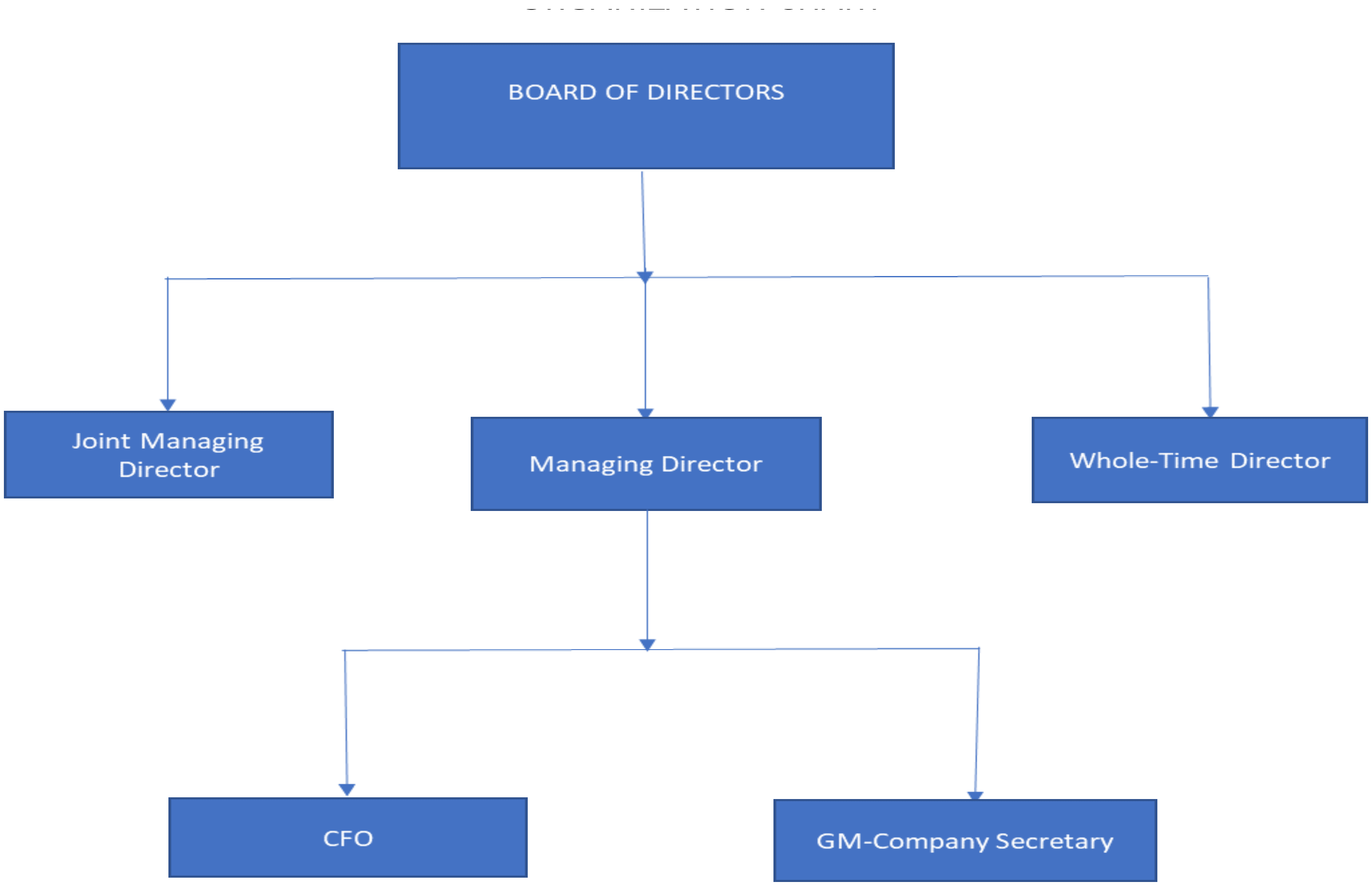
The following table sets forth the compensation paid by our Company to the Executive Directors of our Company during the quarter ended December 31, 2022, Fiscals 2022, 2021 and 2020:

(in ₹ crore)

S. No.	Name of Director	Remuneration			
		Fiscal 2020	Fiscal 2021	Fiscal 2022	From April 1, 2022 to December 31, 2022
1.	Sonnapureddy Gurunatha Reddy	1.27	0.89	1.17	0.77
2.	Maram Venkateshwar Reddy	1.23	0.89	1.16	0.77
3.	Atim Kabra*	Nil	Nil	Nil	Nil

**Atim Kabra has been appointed as a whole time director on December 9, 2022, with effect from January 1, 2023.*

Organisation Chart of our Company



Senior Management

The Senior Management are permanent employees of our Company. In addition to the Executive Director, whose details are provided in "*- Brief Biographies of our Directors*" on page 329, the details of our other Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name of Senior Management	Designation
1.	Benarji Mallampati	Deputy General Manager - Chief Financial Officer
2.	Anjaneyulu Thallapalli	General Manager - Company Secretary and Compliance Officer

Brief biographies of the Senior Management

Sonnapureddy Gurunatha Reddy is the Managing Director of our Company. For further details see *"–Brief Biographies of Directors*" and "*Remuneration to Executive Director*" on pages 329 and 330, respectively.

Maram Venkateshwar Reddy is a Joint Managing Director of our Company. For further details see "*–Brief Biographies of Directors*" and "*Remuneration to Executive Director*" on pages 329 and 330, respectively.

Atim Kabra is a Whole Time Director of our Company. For further details see *"–Brief Biographies of Directors*" and "*Remuneration to Executive Director*" on pages 329 and 330, respectively.

Benarji Mallampati is the Deputy General Manager **-** Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from the Nagarjuna University. He has passed the final examination of the Institute of Chartered Accountants of India. He was previously associated with Ezone Securities Solutions (India) Private Limited as General Manager – Finance and later worked with CES Limited as its Senior Manager Finance.

Anjaneyulu Thallapalli is the General Manager **-** Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce, a master's degree in commerce from the Sri Krishnadevaraya University and a provisional master's degree in law with a specialisation in mercantile law from Osmania University. He is a member of the Institute of Company Secretaries of India. He was previously associated with Model Financial Corporation Limited.

Shareholding of Senior Management

As on the date of this Preliminary Placement Document, except as stated below, none of the Senior Managementhold Equity Shares and employee stock options in our Company:

Sr. No	Name	Number of Equity Shares	Percentage of total number of outstanding Equity Shares (%)
1.	Anjaneyulu Thallapalli	10,400	0.01

Relationship

None of the Senior Management are related either to each other or to the Directors.

Interest of Senior Management

Our Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any.

None of the Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Senior Management was selected as member of senior management.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and its committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company's executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit Committee	a. Dr. Avinash Chander - Chairman; b. Sonnapureddy Gurunatha Reddy – member; and c. Kiran Dhingra – member
2.	Nomination and Remuneration Committee	a. Kiran Dhingra – Chairman; b. Dr. Avinash Chander – member; and c. Prakash Anand Chitrakar - member
3.	Stakeholders' Relationship Committee	a. Dr. Avinash Chander - Chairman; b. Sonnapureddy Gurunatha Reddy – member; and c. Maram Venkateshwar Reddy – member;
4.	Corporate Social Responsibility Committee	a. Sonnapureddy Gurunatha Reddy – Chairman; b. Dr. Avinash Chander – member; and c. Maram Venkateshwar Reddy – member
5.	Risk Management Committee	a. Sonnapureddy Gurunatha Reddy – Chairman; b. Dr. Avinash Chander – member; c. Maram Venkateshwar Reddy – member; and d. Kiran Dhingra – member

Other Confirmations

None of the Directors, Promoter or Senior Managementof our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoter have ever been identified as wilful defaulters by any Company or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or fraudulent borrowers as defined in the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any order or direction made by SEBI. Further, neither of the Promoter nor any of the Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoter or Senior Managementof our Company intends to subscribe to the Issue.

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders, in accordance with the SEBI Insider Trading Regulations, as per which, the Company Secretary of our Company is the Compliance Officer for the purposes of this code.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Financial Years, immediately preceding the year of circulation of this Preliminary Placement Document, see section entitled "*Related Party Transactions*" on page 36.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on December 31, 2022, is set forth below.

Summary statement showing the shareholding pattern of the Company

Category	**Category of Shareholder**	**Number of Shareholders**	**Number of fully paid up Equity Shares held**	**Number of partly paid-up Equity Shares held**	**Number of shares underlying depository receipts**	**Total number of shares held (VII) = (IV)+(V)+(VI)**	**Shareholding as a % of total number of shares (As a % of (A+B+C2))**	**Number of voting rights held in each class of securities**				**Number of shares underlying outstanding convertible securities (including warrants)**	**Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)**	**Number of locked in shares**		**Number of shares pledged or otherwise encumbered**		**Number of Equity Shares held in dematerialized form**
								Number of voting rights			**Total as a % of (A+B+C)**			**Number**	**As a % of total shares held**	**No.**	**As a % of total shares held**	
								Class X **Class Y**		**Total**								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
(A)	Promoter & Promoter Group	4	71,58,766	Nil	Nil	7,15,87,66	8.26	71,58,766	Nil	71,58,766	8.26	Nil	8.26	Nil	Nil	Nil	Nil	71,58,766
(B)	Public	47,699	7,94,52,909	Nil	Nil	7,94,52,909	91.73	7,94,52,909	Nil	7,94,52,909	91.73	Nil	91.73	Nil	Nil	1,35,67,973	15.66	7,90,16,824
(C)	Non Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by Employees Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total:	**47,703**	**8,66,11,675**	**Nil**	**Nil**	**8,66,11,675**	**100**	**8,66,11,675**	**Nil**	**8,66,11,675**	**100**	**Nil**	**100**	**Nil**	**Nil**	**1,35,67,973**	**15.66**	**8,61,75,590**

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & name of the Shareholder	Number of Shareholders	Number of fully paid up Equity Shares held	Number of partly paid-up Equity Shares held	Number of shares underlying depository receipts	Total number of shares held (IV+V+VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities				Number of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)			Number	As a % of total shares held	Number	As a % of total shares held	
								Class X	Class Y	Total								
(1)	**Indian**																	
(a)	Individuals/Hindu undivided Family	4	71,58,766	Nil	Nil	71,58,766	8.26	71,58,766	Nil	71,58,766	8.26	Nil	8.26	Nil	Nil	Nil	Nil	71,58,766
(b)	Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	**Any Other**																	
	Sub-Total (A)(1)	**4**	**71,58,766**	**Nil**	**Nil**	**71,58,766**	**8.26**	**71,58,766**	**Nil**	**71,58,766**	**8.26**	**Nil**	**8.26**	**Nil**	**Nil**	**Nil**	**Nil**	**71,58,766**
(2)	**Foreign**			-	-				-			-				-	-	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	**Any Other**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter	**4**	**71,58,766**	**Nil**	**Nil**	**71,58,766**	**8.26**	**71,58,766**	**Nil**	**71,58,766**	**8.26**	**Nil**	**8.26**	**Nil**	**Nil**	**Nil**	**Nil**	**71,58,766**

Category	Category & name of the Shareholder	Number of Shareholders	Number of fully paid up Equity Shares held	Number of partly paid-up Equity Shares held	Number of shares underlying depository receipts	Total number of shares held (IV+V+VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities				Number of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number of Voting Rights			Total as a % of (A+B+C)			Number	As a % of total shares held	Number	As a % of total shares held	
	Group (A)=(A)(1)+(A)(2)																	

Statement showing shareholding pattern of public Shareholders

Category	Category & name of the Shareholder	Number of Shareholders	Number of fully paid up Equity Shares held	Number of partly paid-up Equity Shares held	Number of shares underlying depository receipts	Total number of shares held (IV+V+VI)	Shareholding as a % of total number of shares (A+B+C2)	Number of voting rights held in each class of securities				Number of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number of voting rights			Total as a % of (A+B+C)			Number	As a % of total shares held	Number	As a % of total shares held	
								Class X	Class Y	Total								
(1)	**Institutions**																	
(a)	**Mutual Funds**	1	62,301	Nil	Nil	62,301	0.07	62,301	Nil	62,301	0.07	Nil	0.07	Nil	Nil	Nil	Nil	62,301
(b)	**Venture Capital Funds**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	**Alternate Investment Funds**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	**Foreign Venture Capital Investors**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	**Foreign Portfolio Investors**	41	20,11,498	Nil	Nil	20,11,498	2.32	20,11,498	Nil	20,11,498	2.32	Nil	2.32	Nil	Nil	Nil	Nil	20,11,498
(f)	**Financial Institutions/Banks**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	**Insurance Companies**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	**Provident Funds/Pension Funds**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	**Any Other**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Qualified Institutional Buyer	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (B)(1)	**42**	**20,73,799**	**Nil**	**Nil**	**20,73,799**	**2.39**	**20,73,799**	**Nil**	**20,73,799**	**2.39**	**Nil**	**2.39**	**Nil**	**Nil**	**Nil**	**Nil**	**20,73,799**
(2)	**Central Government/State Government(s)/President of India**	**1**	**1,600**	**Nil**	**Nil**	**1,600**	**Negligible**	**1,600**	**Nil**	**1,600**	**Negligible**	**Nil**	**Negligible**	**Nil**	**Nil**	**Nil**	**Nil**	**1,600**
	Sub Total (B)(2)	**1**	**1,600**	**Nil**	**Nil**	**1,600**	**0.0018**	**1,600**	**Nil**	**1,600**	**Negligible**	**Nil**	**Negligible**	**Nil**	**Nil**	**Nil**	**Nil**	**1,600**
(3)	**Non-Institutions**																	
(a)	i. Individual Shareholders holding nominal share capital up to Rs.2 lakhs	44,895	2,23,31,173	Nil	Nil	2,23,31,173	25.78	2,23,31,173	Nil	2,23,31,173	25.78	Nil	25.78	Nil	Nil	48,47,627	5.60	2,20,63,588
	ii.Individual Shareholders holding nominal share capital in	34	99,96,149	Nil	Nil	99,96,149	11.54	99,96,149	Nil	99,96,149	11.54	Nil	11.54	Nil	Nil	27,97,860	3.23	98,40,149

Category	Category & name of the Shareholder	Number of Shareholders	Number of fully paid up Equity Shares held	Number of partly paid-up Equity Shares held	Number of shares underlying depository receipts	Total number of shares held (IV+V+VI)	Shareholding as a % of total number of shares (A+B+C2)	Number of voting rights held in each class of securities				Number of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number of voting rights			Total as a % of (A+B+C)			Number	As a % of total shares held	Number	As a % of total shares held	
	excess of Rs. 2 Lakhs																	
(b)	**NBFCs Registered with RBI**	**1**	**310**	**Nil**	**Nil**	**310**	**0.0004**	**310**	**Nil**	**310**	**Negligible**	**Nil**	**Negligible**	**Nil**	**Nil**	**Nil**	**Nil**	**310**
(c)	**Employee Trusts**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(d)	**Overseas Depositories (Holding DRs)(Balancing figure)**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	**Any Other**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	IEPF	1	6,73,570	Nil	Nil	6,73,570	0.77	6,73,570	Nil	6,73,570	0.77	Nil	0.77	Nil	Nil	Nil	Nil	6,73,570
	Unclaimed or Suspense or Escrow Account	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	LLP	48	18,65,950	Nil	Nil	18,65,950	2.15	18,65,950	Nil	18,65,950	2.15	Nil	2.15	Nil	Nil	14,49,668	1.67	18,65,950
	Bodies Corporate	501	2,98,80,073	Nil	Nil	2,98,80,073	34.50	2,98,80,073	Nil	2,98,80,073	34.50	Nil	34.4989	Nil	Nil	28,30,795	3.27	2,98,67,573
	Clearing Members	111	36,51,841	Nil	Nil	36,51,841	4.22	36,51,841	Nil	36,51,841	4.22	Nil	4.22	Nil	Nil	10,88,239	1.26	36,51,841
	Employees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Director or Director's Relatives	7	35,29,468	Nil	Nil	35,29,468	4.08	35,29,468	Nil	35,29,468	4.08	Nil	4.08	Nil	Nil	Nil	Nil	35,29,468
	Market Maker	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Non-Resident Indian (NRI)	781	17,35,329	Nil	Nil	17,35,329	2.00	17,35,329	Nil	17,35,329	2.00	Nil	2.00	Nil	Nil	3,900	Negligible	17,35,329
	Overseas Corporate Bodies	1	16,72,097	Nil	Nil	16,72,097	1.93	16,72,097	Nil	16,72,097	1.9306	Nil	1.9306	Nil	Nil	Nil	Nil	16,72,097
	Trusts	3	3,390	Nil	Nil	3,390	Negligible	3,390	Nil	3,390	Negligible	Nil	Negligible	Nil	Nil	490	Negligible	3,390
	HUF	1,273	20,38,160	Nil	Nil	20,38,160	2.35	20,38,160	Nil	20,38,160	2.35	Nil	2.35	Nil	Nil	5,49,394	0.63	20,38,160
	Sub Total (B)(3)	**47,656**	**7,73,77,510**	Nil	Nil	**7,73,77,510**	**89.34**	**7,73,77,510**	Nil	**7,73,77,510**	**89.34**	Nil	**89.34**	Nil	Nil	**1,35,67,973**	**15.66**	**7,69,41,425**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**47,699**	**7,94,52,909**	**Nil**	**Nil**	**7,94,52,909**	**91.74**	**7,94,52,909**	**Nil**	**7,94,52,909**	**91.74**	**Nil**	**91.74**	**Nil**	**Nil**	**1,35,67,973**	**15.66**	**7,90,16,824**

Statement showing shareholding pattern of non-Promoter – non-public Shareholders

Category	Category & name of the Shareholder	Number of Shareholders	Number of fully paid up Equity Shares held	Number of partly paid-up Equity Shares held	Number of shares underlying depository receipts	Total number of shares held (IV+V+VI)	Shareholding as a % of total number of shares (A+B+C2)	Number of voting rights held in each class of securities				Number of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of locked in shares		Number of shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number of voting rights			Total as a % of (A+B+C)			Number	As a % of total shares held	Number	As a % of total shares held	
								Class X	Class Y	Total								
(1)	Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Non-Promoter-Non Public Shareholding = I(1)+(C)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Selling Restrictions" and "Transfer Restrictions" on pages 354 and 360, respectively.

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Bidders were advised to inform themselves of any restrictions or limitations that may be applicable to them and were required to consult their respective advisers in this regard. Bidders that have applied in the Issue were required to confirm and were deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, employees, counsels, officers, agents, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder was eligible to acquire the Equity Shares. For details, see section titled, "Selling Restrictions" and "Transfer Restrictions" on pages 354 and 360, respectively.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have adopted a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the Issue and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoter or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by the Company shall have been completed or the Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- an offer to QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter, the Company must prepare and record a list of eligible QIBs to whom the offer will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited;

- the Promoter and Directors are not fugitive economic offenders;

- the Promoter or Directors are not declared as wilful defaulters; and

- the Promoter or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

Please note that the requirement under Regulation 172(1)(b) of the SEBI ICDR Regulations, i.e. the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the QIP Committee decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders passed by way of a postal ballot dated February 14, 2023, the results of which were declared on February 15, 2023, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 351.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board on December 9, 2022 and approved by our Shareholders, by way of a postal ballot resolution dated February 14, 2023, the results of which were declared on February 15, 2023. This Issue is approved for raising a sum not exceeding ₹400 crore (including premium), in one or more tranches.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crore; and
- five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", see section "*—Bid Process—Application Form*" on page 347.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 354 and 360, respectively. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on April 28, 2023.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the Book Running Lead Managers, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

    - it has agreed to certain other representation as set forth in the Application Form;
    - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;
    - number of Equity Shares Bid for;
    - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;
- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;
- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited; and
- Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

5. Each Bidder shall be required to make the entire payment of the Bid Amount for the number of Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 351.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclosed the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

9. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

10. Upon determination of the Issue Price and the issuance of CAN and prior to Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final listing and trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the final listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Prospective Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

17. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹25 crore;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- SI-NBFC.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue Equity Share Capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In terms of the FDI Policy and the FEMA Rules, foreign investment in the defence sector is subject to security clearance by the Ministry of Home Affairs and as per the guidelines prescribed by the Ministry of Defence and shall be subject to scrutiny on grounds of national security and the Government reserves the right to review any foreign investment in the defence sector that affects or may affect national security. Additionally, in terms of the FDI Policy and FEMA Rules, infusion of fresh foreign investment up to 49%, in a company not seeking industrial license under the Industries (Development and Regulation) Act, 1951 or which already has Government approval for FDI in the defence sector, is required to submit a declaration with the Ministry of Defence in cases of change in equity/shareholding pattern or transfer of stake by an existing investor to new foreign investor, for FDI up to 49%, within a period of 30 days of such change and any proposal for raising FDI beyond 49% from such companies shall require Government approval.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, Promoter, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 2, 4, 354 and 360, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

8. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

9. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and
    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price; and

13. The Eligible QIB confirms that it is purchasing the Equity Shares in an "offshore transaction" in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate;

14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges.

ELIGIBLE QIBS MUST PROVIDE THEIR BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO

THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Bid Amounts will have to be deposited. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India **Contact Person:** Ashik Joisar / Gaurav Mittal **Email:** astramicrowave.qip@icicisecurities.com **Phone No.:** +91 22 6807 7100	**JM Financial Limited** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India **Contact Person**: Prachee Dhuri **E-mail**: astra.qip@jmfl.com **Phone No.**: +91 022 6630 3030

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue, shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the "Astra Microwave Products Limited – QIP Escrow Account" with Axis Bank Limited our Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders will be required to deposit the entire Bid Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment is not made favouring the "Astra Microwave Products Limited – QIP Escrow Account"within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Astra Microwave Products Limited – QIP Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "**-** *Refunds*" on page 351.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with resolution of our Shareholders passed by way of a postal ballot dated February 14, 2023, the results of which were declared on February 15, 2023 and in terms of Regulation 176 of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLMs have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which the Bid Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Bid Amount, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges. our Company shall repay the Bid Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final listing and trading approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process*" and "– *Refund*" on page 347 and 351, respectively.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "Astra Microwave Products Limited – QIP Escrow Account" to our Company until receipt of notice from the Book Running Lead Managers, the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC, whichever is later.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated April 28, 2023 with our Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein. Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 354 and 360, respectively. This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 9.

From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Bank, group companies, affiliates and the shareholders of our Bank, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

Lock-in

Our Company shall not for a period of 60 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (i) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise approve the transfer or dispose of, any Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing, or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into, or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (i) or (ii) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (iii) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (iv) publicly announce any intention to enter into any transaction falling within (i) to (iii) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (i) to (iii) above.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described under "*Transfer Restrictions*" on page 360.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which the Offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**")), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing and has received the consent of the Book Running Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor Book Running Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing Book Running Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the

UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Transfer Restrictions*" on page 360.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 354.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations. and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of the Company or the BRLMs and their respective affiliates shall have any responsibility in this regard.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the Book Running Lead Managers. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investor, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, the BSE was incorporated as a company under the Companies Act, 1956 on August 8, 2005. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the SEBI Listing Regulations

Public listed companies are required to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months. However, every public sector listed company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform ("**BOLT+**") through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any unpublished price sensitive information ("**UPSI**") relating to such companies and securities to any person including other insiders; and (ii) no person shall procure from or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association, and the relevant sections of the Companies Act, 2013. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

Our Company's authorized Share Capital is ₹30 crore (Rupees Thirty Crore only) 15,00,00,000 Equity Shares of ₹2 each. As on the date the issued capital, subscribed and paid up capital is ₹17,32,23,350 crore (Rupees Seventeen Crore Thirty Two Lakhs Twenty Three Thousand Three Hundred and Fifty only) divided into 8,66,11,675 Equity Shares of ₹2 each.

Dividends

Under Indian law, a company pays final dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by our Company in pursuance of a guarantee given by that Government.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI Regulations. The relevant SEBI Regulations prescribe that no company shall make a bonus issue of equity shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the equity shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the equity shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

Alteration of Share Capital

According to Section 62(1)(a) of the Companies Act, 2013 such new shares shall be offered to existing Shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the Shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private Placement and Public Issues shall be undertaken pursuant to Chapter III the Companies Act, 2013.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing Shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new shares of such amount as may be deemed expedient and specified in the resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, cancel any shares which, at the date of the passing have not been taken or agreed to be taken by any person; subdivide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association; or reduce its capital in accordance with the provisions of the Companies Act. Any increase in the share capital shall be subject to compliance with the provision of the Companies Act, 2013 and of any other laws that may be in force. New shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act, 2013 and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act, 2013.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. An explanatory statement shall be annexed to every notice of a general meeting. The quorum requirements for a general meeting are as mentioned in Articles of Association of the Company are five members, present in person, and no business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that at least 15 days prior notice in writing, along with agenda, shall be given to the Board for any meeting. Provided further that a shorter period of notice may be given with the consent of Directors.

The chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairperson, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding such general meeting or is unwilling to act as chairperson, the Directors present shall elect one of them to be the chairperson of the meeting. The Article of Association provide that in all general meetings and board meetings of the Company, in the case of an equality of votes, the Chairman shall have a second or casting vote.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and the Articles, votes may be given either personally or by proxy, or in the case of a body corporate, a duly authorised representative under Section 113 of the Companies Act, 2013. At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Before, or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting by her own motion, and shall be ordered to be taken by him on a demand made in that behalf by the persons or person as may be provided by the Companies Act.

A shareholder may exercise his voting rights by proxy to be given in the form required by the articles of a company. Any member entitled to vote at a meeting of a company is entitled to appoint another person as his proxy to attend and vote on a poll instead of himself, but a proxy so appointed does not have the right to speak at the meeting. Every notice convening a meeting of a company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy and that the proxy need not be a member of a company. The instrument appointing a proxy is required to be lodged with a company at least 48 hours before the time of the meeting in accordance with the Companies Act, 2013 as far as possible. Every member who is entitled to vote at the meeting shall be entitled from a period beginning 24 hours prior to the time fixed for the meeting and concluding at the end of the meeting, to inspect the proxies lodged at the meeting during business hours, provided that three days written notice is given to a company. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A shareholder which is a legal entity may appoint an authorised representative who can vote in all respects as if a member both on a show of hands and a poll. However, no member shall be entitled to vote at any general meeting either personally or by proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to a company in respect of any of the shares of such member or in respect of any shares on which a company has or had exercised any right of lien.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than 12 including Managing Director and nominated director. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company. The Managing Director(s) shall be liable to retire by rotation. The Whole Time Director(s) shall be liable to retire by rotation. However, such retirement shall not be deemed as break in service, if such Whole Time Director(s) are reappointed immediately. The Board shall have the power to appoint additional directors and to appoint from time to time one or more to office of Managing Director and Whole Time Director, for such period and on such terms as they may think fit for a period not exceeding five years at a time. The Board shall consist of at least such number of Independent Directors as are statutorily required and such directors shall possess such qualification as may be prescribed under Act and shall be appointed for such tenure as prescribed by the Act and the Rules and they shall not be liable to retire by rotation and shall be paid, apart from sitting fees as referred in this Article such remuneration as may be decided by Board of directors in accordance with the approval granted by the Members in General Meeting.

The Directors have the power to appoint any other persons as an addition to our Board but any Director so appointed shall hold office only up to the date of the next following annual general meeting of our Company and the total number of Directors shall not at any time exceed the maximum strength prescribed under the Articles of Association.

Subject to the provisions of the Act, the Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. The Chairperson or any other director with the previous consent of the Board may, and the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. The quorum for a Board Meeting shall be as provided in the Act. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.

Transfer of Shares

An application for registration of a transfer of the Shares in our Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless our Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. A notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered in the ordinary course of post.

Our Company is required to comply with the rules, regulations and requirements of the stock exchange or the rules made under the Companies Act, or the rules made under the Securities Contracts (Regulation) Act, 1956, as amended ("**SCRA**"), or any other law or rules applicable, relating to the transfer or transmission of Shares or debentures.

Buy-back

Our Company may buy back its own Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

TAXATION

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: April 28, 2023

To
The Board of Directors
Astra Microwave Products Limited
Astra Towers, Survey No:12 (Part),
Opp. CII Green Building, Hitech City,
Kondapur, Hyderabad- 500 038,
Telangana, India

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
("ICICI Securities")

JM Financial Limited
7th floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai, 400 025
Maharashtra, India
("JM Financial")

(ICICI Securities and JM Financial and any other lead managers appointed by the Company are hereinafter collectively referred to as the **"Book Running Lead Managers"**)

Subject: Statement of possible special tax benefits (the "Statement") available to Astra Microwave Products Limited (the "Company") and its shareholders prepared in accordance with the proposed qualified institutions placement of equity shares of face value of Rs. 2 each (the "Equity Shares") to qualified institutional buyers of the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations") (the "Issue")

We enclose herewith the Statement identifying the possible special-tax benefits available to the Company and its shareholders, under the Income-tax Act, 1961 and the Income-tax Rules, 1962, each as amended, read with the regulations, circulars and notifications issued thereon, as applicable to the assessment year 2023-24 relevant to the financial year 2022-23, (together the "**Tax Laws**"), presently in force in India as on the date of this certificate. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The possible tax benefits discussed in the enclosed Annexure are not exhaustive. The enclosed Statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on the Statement.

The benefits discussed in the Statement are only intended to provide the possible tax benefits available to the Company and the respective shareholders in a general and summarized manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexure are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time.

We hereby give our consent to include this certificate and the enclosed Statement regarding the tax benefits available to the Company and the respective shareholders in the Preliminary Placement Document and Placement Document for the Issue which the Company intends to file with the BSE Limited, the National Stock Exchange of India Limited and any other authorities in connection with the Issue.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the Book Running Lead Managers and the Company until the Equity Shares allotted in the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the Book Running Lead Managers and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and accurate.

This certificate may be relied upon by the Book Running Lead Managers and the legal advisors appointed with respect to Issue for documenting and conducting their due-diligence and due-enquiry of the affairs of the Company in connection with the Offer. Accordingly, we consent to this certificate and its contents (in whole or in part) being presented and/or utilised for the purpose of any defence that the Book Running Lead Managers may wish to advance before any statutory/regulatory authority in connection with the Issue.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Preliminary Placement Document or Placement Document, as applicable.

For **C Ramachandram & Co.,**
Chartered Accountants
FRN 02864S
Peer Review Number: 0201056904

C RAMACHANDRAM
Partner
Membership Number: 025834
UDIN: 23025834BGTJNH4862

Place: Hyderabad,
Date: April 28, 2023

ANNEXURE

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER APPLICABLE TAX LAWS

Possible Special tax benefits available to the company under the applicable Direct Tax Laws in India

1. Lower Corporate tax rate under Section 115BAA of the ActAs per section 115BAA of the Act inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act,2019) w.e.f. April 1, 2020 i.e., A.Y.2020-21 an option is granted to the domestic companies to compute corporate tax at a reduced rate of 22%, provided the taxpayer does not avail specified exemptions/incentives and complies with other conditions specified in section 115BAA of the Act. Further, the taxpayer availing such option will not be required to pay Minimum Alternate Tax("MAT") on its book profits under section 115JB.However, such company will not be eligible to avail specified exemptions/incentives under the Act and will also need to comply with the other conditions specified in section 115BAA of theAct. Also, if a company opts for section 115BAA of the Act, the tax credit (under section 115JAA of the Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives. The management opted for section 115BAA of the Act from Assessment Year 2020-21.

2. Deduction under section 80JJAA of the Act

As per the provisions of Section 80JJAA of theAct, where the gross total income of an assessee to whom provisions of section 44AB applies, includes any profit and gains derived from business, then such assessee shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

Special direct tax benefits available to the Shareholders of the Company under the applicable Direct Tax Laws in India

(1) Dividend income is taxable for the shareholders in their hands as per the applicable tax rates. However, in case of a domestic corporate shareholder, deduction under Section 80M of the Act would be available subject to fulfilment of conditions mentioned in Section 80M of the Act (as mentioned above). Further, in case of shareholders who are Individuals, Hindu Undivided Family, Association of Persons and Body of Individuals (whether incorporated or not) and every Artificial Juridical Person, surcharge would be restricted to 15%, irrespective of the amount of dividend received during the year. The shareholders would also be entitled to take credit of the Tax Deducted at Source by the Company against the taxes payable by them.

(2) As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share for which securities transaction tax ("STT") is paid at the time of acquisition and sale, shall be taxed at 10% (withoutindexation) plus applicable surcharge and cess of such capital gains. This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 1,00,000/-in a year.Further, the Finance Act 2022 has restricted surcharge to 15% in respect of long-term capital gain arising from any capital asset.

(3) As per Section 111A of the Act, short-term capital gains arising from transfer of listed equity shares shall be taxable at the rate of 15% (plus applicable surcharge and cess) subject to fulfilment of the prescribed conditions under the Act.

(4) As per Section 90(2) of the Act, non-resident shareholders will be eligible to take the benefit of beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), If any applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

(5) Further, any income by way of capital gains payable to non-residents may be subject to withholding tax in accordance with the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident unless such non-resident has obtained a lower withholding tax certificate from the tax authorities.

(6) The non-resident shareholders can also avail credit of withholding taxes or any taxes paid by them directly to the Indian Revenue Authorities, subject to DTAA provisions and local laws of the country in which such shareholder is resident.

(7) In cases where the gains arising on the transfer of shares of the company are included as business income of a shareholder as 'Profits and Gains of Business or Profession' and Securities Transaction Tax ("STT") is paid on such transfer, the shareholders are entitled to a deduction of such STT from the business income as per the provisions of Section 36(1)(xv) of the Act.

LEGAL PROCEEDINGS

Our Company is, from time to time, involved in various litigation proceedings, which are primarily in the nature of civil suits, criminal cases, regulatory/ statutory proceedings, and tax proceedings before various authorities.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Company's 'Policy on Determination of Materiality' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by by the QIP Committee pursuant to its resolution dated April 3, 2023. Further, in accordance with our 'Company's Policy on Determination of materiality', as on the date of this Preliminary Placement Document, except as disclosed hereunder, our Company, Subsidiaries, Promoter and Directors are not involved in: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities); (ii) any outstanding civil litigation or tax proceedings, where the amount involved is ₹15.57 lakhs (being 1% of the profit after tax of the Company for Fiscal 2022) or above; (iii) any outstanding criminal litigation; and (iv) any other litigation which may be considered material by our Company for the purposes of disclosure in this section of this Preliminary Placement Document, solely for the purpose of this Issue.

Except as disclosed in this section, there are no (i) inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document involving our Company or its Subsidiaries and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or its Subsidiaries; (ii) material frauds committed against our Company in the last three years, and if so, the action taken by our Company or its Subsidiaries; (iii) significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) default in annual filing of our Company under the Companies Act, 2013; and (vi) litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, its Subsidiaries, our Promoter or Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Litigation involving our Company

Litigation against our Company

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigation by our Company

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Details of acts of materials frauds committed against our Company in the last three years, and the action taken by our Company

Nil

Litigation involving our Subsidiaries

Litigation against our Company

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigation by our Subsidiaries

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigation involving our Promoter

Litigation against our Promoter

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Disciplinary action

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoter in the last five financial years including outstanding actions.

Litigation by our Promoter

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigation involving our Directors

Litigation against our Directors

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigation by our Directors

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigations or legal action pending or taken against the Promoter taken by any ministry, department of the Government or any statutory authority in the last three years

As on the date of this Preliminary Placement Document, there are no litigations or legal action pending or taken by any ministry, department of the Government or any statutory authority and there are no directions issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action against the Promoter in the last three years.

Prosecutions filed against, fines imposed on, or compounding of offences by our Company and its Subsidiaries under the Companies Act, 2013 in the last three years

As on the date of this Preliminary Placement Document, there are no prosecutions filed against (whether pending or not), fines imposed on, or compounding of offences by our Company and its Subsidiaries under the Companies Act, 2013 in the last three years.

Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 against our Company and its Subsidiaries in the last three years

As on the date of this Preliminary Placement Document, there are no inquiries, inspections or investigations initiated or conducted under the under the Companies Act, 2013 against our Company and its Subsidiaries in the last three years.

Details of default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, there is no default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon.

Details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of our Company and its future operations

As on the date of this Preliminary Placement Document, there has been no order passed by any regulator, court or tribunal which impacts the going concern status of our Company and/or its future operations.

Details of default in annual filings under the Companies Act, 2013 or rules made thereunder

As on the date of this Preliminary Placement Document, there has been no default in the annual filings under the Companies Act, 2013 or the rules made thereunder.

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Subsidiaries, Directors and Promoter.

Nature of case	Number of cases	Amount involved (in ₹ crore)
Company		
Direct Tax	1(1)	0.92
Indirect Tax	2(2)(3)	2.74
Subsidiaries		
Direct Tax	Nil	N.A.
Indirect Tax	Nil	N.A.
Directors		
Direct Tax	Nil	N.A.
Indirect Tax	Nil	N.A.
Promoter		
Direct Tax	Nil	N.A.
Indirect Tax	Nil	N.A.

(1) Our Company has received an order dated March 31, 2022 from National Faceless Assessment Centre of the Income Tax Department levying a penalty of ₹91.66 lakhs under section 270A of the Income Tax Act, 1961, alleging that our Company has under reported and misreported its income for the assessment year 2018-19. Aggrieved by the aforesaid order, our Company has filed an appeal before the Commissioner of Income-tax (Appeals), Hyderabad which is currently pending.

*(2) A show cause notice dated September 4, 2013 was received by our Company from Central Excise Department, Hyderabad for recovery of central excise duty amounting to ₹2.48 crores for clearances of certain excisable goods issued to our Company from December 2009 to February 2011 for which our Company had claimed certain exemptions. This demand for unpaid central excise duty was confirmed by the Commissioner of Customs, Central Excise and Service Tax of Hyderabad, pursuant to its order dated September 26, 2014 ("**Order**"). Aggrieved by the Order, our Company filed an appeal before the Customs Excise and Service Tax Appellate Tribunal, Bengaluru ("**CESTAT**") which was allowed on the grounds of limitation vide order dated August 25, 2016. Presently, the Commissioner of Customers, Central Excise and Service Tax of Hyderabad has filed an appeal before the Andhra Pradesh and Telangana High Court, Hyderabad which is currently pending,.*

*(2) A notice dated September 19, 2022 was received by our Company from Commercial Tax Officer (Enforcement) – Devannahalli ("**CTO**") levying penalty of ₹25,92,000 for not updating the details of the vehicle in the e-way bill issued for the purpose of transporting electronic instruments of our Company for repair and return. Aggrieved by the same, our Company filed an appeal before the Joint Commissioner of Commercial Taxes (Appeals)-5, Bengaluru wherein an order dated October 19, 2022 was passed, setting aside the aforesaid order and levying a penalty of ₹10,000 in aggregate. Subsequently, the Additional Commissioner of Commercial Taxes, Zone-3, Bengaluru passed a revisional order dated January 1, 2023 setting aside the order dated October 19, 2022. Aggrieved by the order dated January 1, 2023, our Company had requested the Additional Commissioner of Commercial Taxes, Zone-3, Bengaluru for a personal hearing. The matter is currently pending.*

OUR STATUTORY AUDITOR

Our Company's current Statutory Auditors, Price Waterhouse Chartered Accountants LLP, are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the Shareholders of our Company at the AGM held on July 28, 2017 and were reappointed pursuant to a resolution adopted by our Shareholders at the AGM held on August 22, 2022, for a period of five years.

Our Statutory Auditors have reviewed the Unaudited Interim Condensed Consolidated Financial Statements as at December 31, 2022 and for the nine-months periods ended December 31, 2022 and December 31, 2021and audited the consolidated financial statements for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020, included in this Preliminary Placement Document.

As on the date of this Preliminary Placement Document, our current Statutory Auditor, Price Waterhouse Chartered Accountants LLP hold a valid peer review certificate.

GENERAL INFORMATION

1. Company was incorporated as 'Astra Microwave Products Private Limited' on September 13, 1991 in the state of Andhra Pradesh as a private limited company under the Companies Act, 1956, as amended. Thereafter, our Company was converted into a public limited company, the word 'private' was struck off from the name of our Company and consequently, a fresh certificate of incorporation consequent upon change of name dated April 6, 1993 was issued by the RoC recording the change in the name of our Company to 'Astra Microwave Products Limited'. The Equity Shares of our Company were listed on BSE Limited and the NSE India Limited on April 8, 2003.

2. Our Registered Office is located at ASTRA Towers, Survey No:12 (Part) Opp. CII Green Building, Hitech City, Kondapur, Hyderabad 500 084, Telangana, India.

3. The CIN of the Company is L29309TG1991PLC013203.

4. The Issue was authorised and approved by our Board pursuant to a resolution dated December 9, 2022, and by the Shareholders of our Company pursuant to a special resolution passed through a postal ballot resolution dated February 14, 2023, the results of which were declared on February 15, 2023.

5. Our Company has received in-principle approvals under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares on the BSE and NSE, each dated April 28, 2023. We will apply for final listing and trading approvals in respect of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

6. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office.

7. Our Company has obtained all consents, approvals and authorisations required in connection with the Issue.

8. Our Company confirms that it is in compliance with the minimum public shareholding requirements as provided under the SEBI Listing Regulations and Rule 19A of the SCRR.

9. There has been no material change in the financial or trading position of our Company since December 31, 2022, the date of the Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.

10. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 370.

11. The Floor Price is ₹268 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Statutory Auditors. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with resolution of our Shareholders passed by way of a postal ballot dated February 14, 2023, the results of which were declared on February 15, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

12. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.

13. Anjaneyulu Thallapalli is the Company Secretary and Compliance Officer of our Company. His details are as follows:

    Anjaneyulu Thallapalli
    ASTRA Towers, Survey No:12 (Part) Opp.
    CII Green Building, Hitech City, Kondapur,
    Hyderabad 500 084, Telangana, India
    Tel: +91 40 4661 8000
    E-mail: tan@astramwp.com/ secretarial@astramwp.com

PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Book Runing Lead Managers, to Eligible QIBs only, on a discretionary basis.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^#
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ *Based on beneficiary position as on [●], 2023.*
 # The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

Note: Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

______________________	______________________
Sonnapureddy Gurunatha Reddy	**Maram Venkateshwar Reddy**
Managing Director	Joint Managing Director
DIN: 00003828	DIN: 00421401
Date: April 28, 2023	Date: April 28, 2023
Place: Hyderabad	Place: Hyderabad

DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Sonnapureddy Gurunatha Reddy	**Maram Venkateshwar Reddy**
Managing Director	Joint Managing Director
DIN: 00003828	DIN: 00421401
Date: April 28, 2023	Date: April 28, 2023
Place: Hyderabad	Place: Hyderabad

I am authorized by the QIP Committee, a committee of the Board of the Company, vide resolution dated April 28, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Anjaneyulu Thallapalli

General Manager - Company Secretary and Compliance Officer

Date: April 28, 2023
Place: Hyderabad

ASTRA MICROWAVE PRODUCTS LIMITED

Registered Office:

ASTRA Towers, Survey No:12 (Part) Opp. CII Green Building, Hitech City,
Kondapur, Hyderabad 500 084, Telangana, India

Tel: +91 40 3061 8000
Email: secretarial@astramwp.com | **Website**: astramwp.com
CIN: L29309TG1991PLC013203

Contact Person:

Anjaneyulu Thallapalli
Designation: General Manager **-** Company Secretary and Compliance Officer
Tel: +91 40 4661 8000
E-mail: secretarial@astramwp.com
Address: ASTRA Towers, Survey No:12 (Part) Opp. CII Green Building, Hitech City,
Kondapur, Hyderabad 500 084, Telangana, India

BOOK RUNNING LEAD MANAGERS

ICICI SECURITIES LIMITED
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India

JM FINANCIAL LIMITED
7th floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India

STATUTORY AUDITOR OF OUR COMPANY

Price Waterhouse Chartered Accountants LLP
Octave Block, Block E1, Parcel – 4, Salarpuria Sattva Knowledge City, Raidurg, Hyderabad 500 081, Telangana, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Cyril Amarchand Mangaldas
3rd floor, Prestige Falcon Towers, 19, Brunton Road, Off M.G. Road
Bengaluru 560 025, Karnataka, India.

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Shardul Amarchand Mangaldas & Co
Express Towers, 24th Floor, Nariman Point,
Mumbai 400 021, Maharashtra, India

APPLICATION FORM

<table>
<tr><td>

ASTRA MICROWAVE PRODUCTS LIMITED

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APPLICATION FORM

Name of the Bidder
Form. No.
Date:

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(Incorporated in the Republic of India under the Companies Act, 1956)
Registered Office: Astra Towers, Survey No: 12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad 500 084, Telangana, India; **CIN**: L29309TG1991PLC013203; **Website**: www.astramwp.com; **Tel**: +91 40 3061 8000; **Email**: secretarial@astramwp.com; tan@astramwp.com

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QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹2 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT"), READ WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY ASTRA MICROWAVE PRODUCTS LIMITED (THE "COMPANY" OR THE "ISSUER", AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹268 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI Regulations and other applicable laws, including foreign exchange related laws; are eligible to submit this Application Form ("Eligible QIBs"). In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. Further, foreign venture capital investors, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the solicitation and distribution restrictions contained in the sections "Selling Restrictions" and "Transfer Restrictions" on pages 354 and 360, respectively, in the accompanying preliminary placement document dated April 28, 2023 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
Astra Microwave Products Limited
Astra Towers, Survey No: 12 (Part), Opp. CII Green Building, Hitech City, Kondapur, Hyderabad 500 084, Telangana, India

Dear Sirs,

On the basis of the serially numbered PPD and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (such FPIs, "**Eligible FPIs**"), have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and number of Equity Shares Bid for under each such scheme. We undertake that we will submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the applicant is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

STATUS (Insert '✓' for applicable category)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund**
SI-NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others ______________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD.

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

*** Sponsor and Manager should be Indian owned and controlled.*

We note that the Board is entitled, in consultation with the BRLMs in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections *"Notice to Investors", "Issue Procedure", "Selling Restrictions"* and *"Transfer Restrictions"* sections of the PPD are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" in reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" of the PPD.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
MOBILE NO.			
PHONE NO.		**FAX NO.**	
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS									
Depository Name	National Securities Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.30 p.m. (IST), [●],[●]

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Astra Microwave Products Limited – QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank	AXIS BANK LIMITED	**Address of the Branch of the Bank**	1st Floor G Pulla Reddy Sweets, Begumpet, Hyderabad 500 016
Account No.	923020007769867	**IFSC**	UTIB0000008
Tel No.	+91 98666 47783	**E-mail**	Sai.Singaraju@axisbank.com

The Bid Amount should be transferred pursuant to the Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. prior to or on the Issue Closing Date. All payments must be made in favor of "**ASTRA MICROWAVE PRODUCTS LIMITED – QIP ESCROW ACCOUNT**". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Email:			

OTHER DETAILS	
PAN*	
Date of Application	

ENCLOSURES TO BE SUBMITTED*
☐ Copy of the PAN Card or PAN allotment letter**
☐ FIRC

OTHER DETAILS	
Signature of Authorized Signatory (may be signed either physically or digitally)	

ENCLOSURES TO BE SUBMITTED*
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of notification as a public financial institution
☐ Copy of the IRDAI registration certificate
☐ Certified true copy of power of attorney
☐ Others, please specify________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961,as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and Placement Document.

Note 2: The Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLMs.

Note 3: The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Managers either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these document.