Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Bhavyabhanu Electronics Private Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of Bhavyabhanu Electronics Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its 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 Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The 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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, 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 financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

8. 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 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on April 01, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company 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 Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

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

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds 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 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 35 (ix)(A) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 (Refer Note 35 (ix)(B) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

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To the Members of Bhavyabhanu Electronics Private Limited
Report on audit of the Financial Statements

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

12. The provisions of Section 197 read with Schedule V of the Act is applicable to the company. However, no managerial remuneration is payable by the company during the year.

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

Srikanth Pola
Partner
Membership Number: 220916
UDIN: 23220916BGXUWV8743

Place: Hyderabad
Date: May 25, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Bhavyabhanu Electronics Private Limited on the financial statements as of and for the year ended March 31, 2023

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. We have audited the internal financial controls with reference to financial statements of Bhavyabhanu Electronics Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls 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 ("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 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 and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act 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 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 controls 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 controls 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.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Bhavyabhanu Electronics Private Limited on the financial statements as of and for the year ended March 31, 2023

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 controls 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 Company has, 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, 2023 , 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 ICAI.

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

Srikanth Pola
Partner
Membership Number: 220916
UDIN: 23220916BGXUWV8743

Place: Hyderabad
Date: May 25, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Bhavyabhanu Electronics Private Limited on the financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Intangible assets and accordingly, reporting under this Clause is not applicable.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 2(a) to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly statements with such banks, which are not in agreement with the unaudited books of account as set out below (Also refer Note 35(iii) to the financial statements):

Price Waterhouse Chartered Accountants LLP
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Name of the Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reasons for difference
HDFC Bank	Rs. 23 Cr	Inventories and Trade receivables	June 30, 2022	Inventories: 2,022.19 lakhs	Inventories: 2,022.19 lakhs	Nil	None
				Trade Receivables: 84.12 lakhs	Trade Receivables: 84.12 lakhs	Nil	None
HDFC Bank	Rs. 23 Cr	Inventories and Trade receivables	September 30, 2022	Inventories: 1,846.61 lakhs	Inventories: 1,846.61 lakhs	Nil	None
				Trade Receivables: 153.99 lakhs	Trade Receivables: 167.87 lakhs	Trade Receivables: 13.88 Lakhs	On account of considering the credit balance of customer which has been reclassified to contract liabilities.
HDFC Bank	Rs. 23 Cr	Inventories and Trade receivables	December 31, 2022	Inventories: 2147.36 lakhs	Inventories: 2147.36 lakhs	Nil	None
				Trade Receivables: 145.26 lakhs	Trade Receivables: 145.26 lakhs	Nil	None
HDFC Bank	Rs. 23 Cr	Inventories and Trade receivables	March 31, 2023	Inventories: 2,234.68 lakhs	Inventories: 2,253.72 lakhs	Inventories: 19.04 lakhs	Purchases recorded on account of Goods in transit in books of accounts.
				Trade Receivables: 88.82 lakhs	Trade Receivables: 88.82 lakhs	Nil	None

iii. The Company has not made any investments, granted secured / unsecured loans / advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) Loans and borrowings amounting to Rs. 1,659.77 lakhs are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest have not been demanded for repayment during the year. Consequently, the question of our commenting under this clause does not arise.

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Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Bhavyabhanu Electronics Private Limited on the financial statements as of and for the year ended March 31, 2023

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) and 3(ix)(f) are not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

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FRN:012754N/N500016
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Annexure B to Independent Auditors' Report
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xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and based on our examination, the Company did not have an internal audit system during the year.

(b) The Company is not mandated to have an internal audit system during the year.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has incurred cash losses of Rs. 338.68 lakhs in the financial year and of Rs. 124.35 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 35(xiv) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

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xx. The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act until the date of our report. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below:

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Sch. VII	Amount transferred to Fund under Sch. VII, within 6 months from end of financial year (or till the date of audit report, if that is earlier	Amount transferred to Fund under Sch. VII, after 6 months from end of financial year (till the date of audit report)	Amount not transferred to Fund under Sch. VII, till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
2022-23	Rs. 281,796	Rs. 281,796	-	-	Rs. 281,796

(Also refer Note 23(b) to the financial statements)

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Srikanth Pola
Partner
Membership Number : 220916
UDIN : 23220916BGXUWV8743
Place: Hyderabad
Date : May 25, 2023

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Balance Sheet as at March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2(a)	163.77	186.37
Capital work-in-progress	2(b)	17.75	-
Financial assets			
Other financial assets	3(a)	112.49	15.51
Deferred tax assets (net)	9	23.58	19.96
Non-current tax assets	8	15.70	17.83
Other non-current assets	4(a)	6.74	0.26
Total non-current assets		**340.03**	**239.93**
Current assets			
Inventories	5	2,253.72	1,713.64
Financial assets			
i. Trade receivables	6	178.84	288.15
ii. Cash and cash equivalents	7A	0.26	1.21
iii. Bank balances other than (ii) above	7B	15.71	99.80
iv. Other financial assets	3(b)	4.81	11.41
Other current assets	4(b)	290.41	313.28
Total current assets		**2,743.75**	**2,427.49**
Total assets		**3,083.78**	**2,667.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	497.60	497.60
Other equity	11	354.14	729.57
Total equity		**851.74**	**1,227.17**
LIABILITIES			
Non-current liabilities			
Provisions	12(a)	48.13	43.83
Total non-current liabilities		**48.13**	**43.83**
Current liabilities			
Financial liabilities			
i. Borrowings	13	1,659.77	1,055.95
ii. Trade payables	14		
(a) total outstanding dues of micro and small enterprises		14.01	14.89
(b) total outstanding dues other than micro and small enterprises		157.99	204.83
iii. Other financial liabilities	15	93.24	65.05
Contract liabilities	16(b)	227.07	32.99
Provisions	12(b)	16.09	12.32
Other current liabilities	16(a)	15.74	10.39
Total current liabilities		**2,183.91**	**1,396.42**
Total liabilities		**2,232.04**	**1,440.25**
Total equity and liabilities		**3,083.78**	**2,667.42**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.
This is the 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

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu

T. Anjaneyulu
Director
DIN : 06650624

Place: Hyderabad
Date: May 25, 2023

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income :			
Revenue from operations	17(a)	6,995.83	4,662.16
Other Income	17(b)	33.73	9.90
Total Income		**7,029.56**	**4,672.06**
Expenses :			
Cost of materials consumed	18	6,329.78	2,464.21
Changes in inventories of work-in-progress and finished goods	19	(15.31)	1,406.54
Employees benefits expense	20	682.70	572.99
Finance costs	24	201.52	227.37
Depreciation expense	21	38.81	43.32
Other expenses	22	223.00	220.55
Total Expenses		**7,460.50**	**4,934.98**
Profit/(loss) before tax		**(430.94)**	**(262.92)**
Income tax expense	23(c)		
- Current tax		-	-
- Income tax relating to prior years		-	16.58
- Deferred tax		(3.42)	(6.47)
Net profit/(loss) for the year		**(427.52)**	**(273.03)**
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		(0.78)	0.18
b) Income tax relating to item (a) above		0.20	(0.05)
Other comprehensive income for the year, net of tax		**(0.58)**	**0.13**
Total comprehensive income for the year		**(428.10)**	**(272.90)**
Earnings per equity share			
Basic earnings per share	25	(8.59)	(5.49)
Diluted earnings per share	25	(8.59)	(5.49)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.
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

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date : May 25, 2023

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Statement of Cash Flows for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Loss before tax	**(430.94)**	**(262.92)**
Adjustments for:		
Depreciation expense	38.81	43.32
Finance costs*	201.52	227.37
Changes in fair value of financial assets at fair value through profit or loss	(0.08)	-
Interest income from financial assets carried at amortised cost	(7.56)	(9.90)
Net gain on disposal of property, plant and equipment	(0.03)	-
Unrealised exchange (gain)/loss	0.85	0.12
Changes in expected credit loss in trade receivables	0.58	4.94
Operating profit/(loss) before working capital changes	**(196.85)**	**2.93**
Changes in assets and liabilities:		
(Increase) / Decrease in inventories	(540.08)	2,090.18
(Increase) / Decrease in trade receivables	108.73	928.79
(Increase) / Decrease in other financial assets	-	0.36
(Increase) / Decrease in other non-current assets	(6.74)	5.61
(Increase) / Decrease in other current assets	22.88	119.23
Increase/(Decrease) in trade payable	(48.61)	(49.37)
Increase/(Decrease) in provisions	7.29	13.34
Increase/(Decrease) in other financial liabilities	14.28	(31.44)
Increase/(Decrease) in contract liabilities	194.07	(1,551.56)
Increase/(Decrease) in other current liabilities	5.35	(308.66)
Cash generated from/(used in) operating activities	**(439.68)**	**1,219.41**
Income taxes paid (including tax deducted at source and net of refund)	2.13	(106.14)
Net cash generated from/(used in) operating activities	**(437.55)**	**1,113.27**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	0.05	-
Payments for property, plant and equipment	(19.77)	(14.76)
Movement in other bank balances	(12.89)	88.42
Interest received	14.24	13.76
Net cash flow/(used in) investing activities	**(18.37)**	**87.42**
Cash flow from financing activities		
Finance cost paid	(148.85)	(112.99)
Net cash from /(used in) financing activities	**(148.85)**	**(112.99)**
Net increase/(Decrease) in cash & cash equivalents	**(604.77)**	**1,087.70**
Cash & cash equivalents at the beginning of the financial year	(1,054.74)	(2,142.44)
Cash & cash equivalents at the end of the financial year	**(1,659.51)**	**(1,054.74)**
*Includes commission on corporate guarantee provided by holding company	52.67	105.35

Reconciliation of cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
-In current accounts	-	1.08
-Cash on hand	0.26	0.13
Cash and cash equivalents (Note 7A)	**0.26**	**1.21**
Cash credit facility (Note 13)	(1,659.77)	(1,055.95)
Balance as per statement of cash flows	**(1,659.51)**	**(1,054.74)**

The Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
The accompanying notes are an integral part of the financial statements.
This is the 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

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Place : Hyderabad
Date : May 25, 2023

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Statement of Changes in Equity for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

A. Equity share capital

Particulars	Note	Equity share capital
Balance at 01 April, 2021		497.60
Changes in equity share capital		-
Balance at March 31, 2022	10	497.60
Changes in equity share capital		-
Balance as at March 31, 2023		497.60

B. Other equity

Particulars	Note	Reserves and surplus			
		Deemed investment in the nature of equity	Securities premium account	Retained earnings	Total
Balance at April 01, 2021		**105.35**	**192.28**	**599.49**	**897.12**
Profit/(loss) for the year		-	-	(273.03)	(273.03)
Other Comprehensive Income*		-	-	0.13	0.13
Deemed investment in the nature of equity		105.35	-	-	105.35
Balance at March 31, 2022	11	**210.70**	**192.28**	**326.59**	**729.57**
Profit/(loss) for the year		-	-	(427.52)	(427.52)
Other Comprehensive Income*		-	-	(0.58)	(0.58)
Deemed investment in the nature of equity		52.67	-	-	52.67
Balance at March 31, 2023		**263.37**	**192.28**	**(101.51)**	**354.14**

*Includes Rs. 0.58 lakhs (March 31, 2022: Rs. 0.13 lakhs as remeasurement of defined benefit plans (net of tax)).

The accompanying notes are an integral part of the financial statements
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

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date : May 25, 2023

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Background
Bhavyabhanu Electronics Private Limited was incorporated in 2013. The company engaged in the business of manufacture, supply, installations and service of all electronic machinery, components, spares and other electronic parts. The Company is a wholly owned subsidiary of Astra Microwave Products Limited.

Note 1: Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 1.1 Basis of preparation of financials 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 the following.
• Certain financial assets and liabilities that is measured at fair value.

(iii) New and amended standards adopted by the company
The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments 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 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

Note 1.2 : Use of estimates
The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note 1.3 : Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company functional and presentation currency.

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

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.

Price Waterhouse Chartered Accountants LLP
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Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 1.4 : Revenue recognition
(i) Sale of products:
Revenue from sale of products is recognised when the control of the products is transferred to the customers based on the terms of sale.

Revenue from sales is based on the transaction price arrived on the basis of the sales contracts net of liquidated damages. Revenue is recognised only to the extent that it is highly probable that the significant reversal will not occur. 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 dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

(ii) Sale of services:
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.

(iii) 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.

Note 1.5 : Income tax
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation 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. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Note 1.6 : Leases
<u>As a lessee:</u>
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 company 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.

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CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Note 1.7 : Impairment of assets

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

Note 1.8 : Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and cash credit facility availed from the banks. Cash credit facility availed from the banks are shown within borrowings in current liabilities in the balance sheet.

Note 1.9 : Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are initially recognised at the transaction price that is unconditional as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Note 1.10 : 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 1.11 : 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.

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.

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 . The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the company 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.

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.

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Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

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

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Note 1.12 : Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the entity or the counterparty.

Note 1.13 : Property, plant and equipment
Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Transition to IndAS:
On transition to IndAS, the Company 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/amortisation 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.

Asset Description	Life of the asset (in years)
Plant and machinery	15
Air conditioner	10
Office equipment	5
Furniture and fixtures	10
Computers and Servers	
Servers	6
Computers	3

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Note 1.14 : Trade and other payables
These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within credit period after recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Note 1.15 : 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.

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Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)
Borrowings are classified as current liabilities unless the entity 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 1.16 : 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 1.17 : 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.

Note 1.18 : 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 company 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.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

The present value of the defined benefit obligation 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 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.

b. 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.

Note 1.19 : 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 1.20 : 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 1.21 : Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 1.22 : 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 Group Managing Director and Group Joint Managing Director as chief operating decision makers. Refer note 28 for segment information presented.

Note 1.23 : 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.
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.
The area involving critical estimates or judgements is:
1. Estimation of defined benefit obligation (Refer Note - 27)
2. Provision for expected credit loss (Refer Note - 32)
3. Useful lives of Property, Plant & Equipment (refer Note 1.13 and Note 21)
4. Net Realisable Value - Inventory (refer Note 1.10)

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 2(a): Property, plant and equipment

Particulars	Gross carrying value				Accumulated depreciation				Net carrying amount
	As at 1 April 2022	Additions	Deletions / transfers	As at 31 Mar 2023	As at 1 April 2022	For the Year	On disposals	As at 31 Mar 2023	As at 31 Mar 2023
Plant & machinery	376.85	7.75	-	384.60	211.44	30.79	-	242.23	142.37
Air conditioners	1.70	-	-	1.70	1.09	0.15	-	1.24	0.46
Office Equipment	1.61	0.50	-	2.11	1.29	0.26	-	1.55	0.56
Computers	14.49	2.47	-	16.96	9.59	2.77	-	12.36	4.60
Furniture & fixtures	38.57	5.51	0.26	43.82	23.44	4.84	0.24	28.04	15.78
Total	**433.22**	**16.23**	**0.26**	**449.19**	**246.85**	**38.81**	**0.24**	**285.42**	**163.77**

Particulars	Gross carrying value				Accumulated depreciation				Net carrying amount
	As at 1 April 2021	Additions	Deletions / transfers	As at 31 Mar 2022	As at 1 April 2021	For the Year	On disposals	As at 31 Mar 2022	As at 31 Mar 2022
Plant & machinery	369.45	7.40	-	376.85	175.77	35.67	-	211.44	165.41
Air conditioners	1.70	-	-	1.70	0.89	0.20	-	1.09	0.61
Office Equipment	1.61	-	-	1.61	1.04	0.25	-	1.29	0.32
Computers	9.18	5.31	-	14.49	7.32	2.27	-	9.59	4.90
Furniture & fixtures	36.52	2.05	-	38.57	18.51	4.93	-	23.44	15.13
Total	**418.46**	**14.76**	**-**	**433.22**	**203.53**	**43.32**	**-**	**246.85**	**186.37**

Note 2(b): Capital work-in-progress

Particulars	Movement Schedule			
	As at 1 April 2022	Additions	Deletions / capitalisations	As at 31 Mar 2023
Capital work-in-progress	-	17.75	-	17.75

Capital work-in-progress ageing schedule

Capital work in progress	Amount in Capital work-in-progress for a period of				Total as March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.75	-	-	-	17.75
Projects temporarily suspended	Nil				

Capital work-in-progress (CWIP) consists of plant & machinery items which are pending installation under construction during the current year.
During the Current year and previous year, the Company does not have projects in capital work in progress whose completion is overdue or projects whose cost has exceeded its costs as per its original plan.
Refer note no. 29 for the assets pledged as security.
Refer note no. 30 for capital commitments of the company.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 ★ Hyderabad ★

Bhavyabhanu Electronics Pvt. Ltd. ★ Hyderabad ★

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 3: Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
a) Non-current, carried at amortised cost		
Unsecured, considered good		
Security deposits	0.50	0.50
Deposits with maturity of more than 12 months*	111.99	15.01
Total	**112.49**	**15.51**
b) Current		
- Interest receivable on deposits with banks	4.73	11.41
Derivatives carried at fair value through profit or loss		
- Foreign-exchange forward contract	0.08	-
Total	**4.81**	**11.41**

* Earmarked with banks for providing bank guarantees to customers

Note 4: Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
a) Non-current		
Unsecured, considered good		
Capital advances	-	0.26
Prepaid expenses	6.74	-
Total	**6.74**	**0.26**
b) Current :		
Unsecured, considered good		
Prepaid expenses	13.99	10.32
Balance with government authorities	132.50	61.35
Advance to suppliers	143.92	241.61
Total	**290.41**	**313.28**

Note 5: Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials*	2,087.99	1,563.22
Work-in-progress	112.55	148.46
Finished goods	53.18	1.96
Total	**2,253.72**	**1,713.64**

*Raw materials include goods-in-transit Rs. 19.04 (March 2022: Rs. 106.91)

Note 6: Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from contract with customers		
Unsecured		
- Related parties	4.43	4.43
- Others	180.00	288.73
Less: Expected credit loss	(5.59)	(5.01)
Total	**178.84**	**288.15**

Note-36: Ageing of trade receivables

Note 7: Cash and Bank Balances
7A: Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	-	1.08
Cash on hand	0.26	0.13
Total	**0.26**	**1.21**

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

7B: Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with maturity of more than 3 months and less than 12 months*	15.71	99.80
Total	**15.71**	**99.80**

*Earmarked with banks for providing bank guarantees to customers.

Note 8: Non current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax and tax deducted at source	15.70	17.83
Total	**15.70**	**17.83**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 9: Deferred tax asset (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	-	-
Deferred tax assets	23.58	19.96
Total	**23.58**	**19.96**

FY 2022-23	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Property, plant and equipment	4.57	1.44	-	6.01
Provision for gratuity	7.05	1.18	0.20	8.43
Provision for leave encashment	7.08	0.65	-	7.73
Provision for expected credit loss	1.26	0.15	-	1.41
Deferred tax assets	**19.96**	**3.42**	**0.20**	**23.58**

FY 2021-22	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Property, plant and equipment	2.70	1.87	-	4.57
Provision for gratuity	5.61	1.49	(0.05)	7.05
Provision for leave encashment	5.21	1.87	-	7.08
Provision for expected credit loss	0.02	1.24	-	1.26
Deferred tax assets	**13.54**	**6.47**	**(0.05)**	**19.96**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 10: Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital:		
5,000,000 (March 2022: 5,000,000) equity shares of Rs. 10/- each	500.00	500.00
Total	**500.00**	**500.00**
Issued and subscribed capital:		
4,976,000 (March 2022: 4,976,000) equity shares of Rs. 10/- each fully paid	497.60	497.60
Total	**497.60**	**497.60**

a) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding of equity shares	Number of shares	% holding of equity shares
Astra Microwave Products Limited	4,975,998	99.99%	4,975,998	99.99%

b) Movement in equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	4,976,000	497.60	4,976,000	497.60
Movement during the year	-	-	-	-
Balance as at the end of the year	**4,976,000**	**497.60**	**4,976,000**	**497.60**

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

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 promoters at the end of the year			
Promoter name	**As at March 31, 2023**		**% change during the year**
	No. of shares	**% of shares**	
Astra Microwave Products Limited	4,975,998	99.99%	-
Total	**4,975,998**	**99.99%**	-

Shares held by the promoters at the end of the year			
Promoter name	**As at March 31, 2022**		**% change during the year**
	No. of shares	**% of shares**	
Astra Microwave Products Limited	4,975,998	99.99%	-
Total	**4,975,998**	**99.99%**	-

Note 11: Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus:		
Securities premium account	192.28	192.28
Deemed investment in the nature of equity	263.37	210.70
Retained earnings	(101.51)	326.59
Total	**354.14**	**729.57**

(i) Securities premium account

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	192.28	192.28
Movement during the year	-	-
Closing balance	**192.28**	**192.28**

(ii) Deemed investment in the nature of equity

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	210.70	105.35
Movement during the year	52.67	105.35
Closing balance	**263.37**	**210.70**

(iii) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	326.59	599.49
Profit for the year	(427.52)	(273.03)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(0.58)	0.13
Closing balance	**(101.51)**	**326.59**

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

Deemed Investment in the nature of equity
It represents the fair value of guarantee provided by Astra Microwave Products Limited towards borrowings.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Private Limited
Hyderabad

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 12: Provisions*

Particulars	As at March 31, 2023	As at March 31, 2022
a) Non-current		
Provision for employee benefit obligations		
- leave encashment	20.34	19.68
- gratuity	27.79	24.15
Total	**48.13**	**43.83**
b) Current		
Provision for employee benefit obligations		
- leave encashment	10.35	8.42
- gratuity	5.74	3.90
Total	**16.09**	**12.32**

*Refer note 27 - for employee benefit obligations

Note 13: Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Cash credit facility	1,659.77	1,055.95
Total	**1,659.77**	**1,055.95**

Refer note 29 for the assets pledged as security
Refer note 24 for the net debt reconciliation

Terms of repayment:
i) Cash credit from banks are repayable on demand.
ii) Interest rates are normally reset on an yearly basis. Present rate of interest is between 9.60% and 11.14% per annum.
Nature of security:
a. Cash credit facility is secured by charge on Stock, Book debts and Movable fixed assets of company (both present and future).
b. Corporate Guarantee of Astra Microwave Products Limited.

Note 14: Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (Refer note 14(a))	14.01	14.89
Total outstanding dues of other than micro and small enterprises	157.99	204.83
Total	**172.00**	**219.72**

Note 14(a): The Company 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, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	13.62	14.89
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.39	-
Principal amounts paid 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 paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
Interest accrued and remaining unpaid at the end of each accounting year.	0.39	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.39	-

Note-37: Ageing of trade payables

Note 15: Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors	13.97	0.06
Payable to employees	79.27	64.99
Total	**93.24**	**65.05**

Note 16(a): Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	12.92	10.39
Liability towards corporate social responsibility	2.82	-
Total	**15.74**	**10.39**

Note 16(b): Contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advance from customers*	227.07	32.99
Total	**227.07**	**32.99**

*Includes amount of Rs. 216.02 from holding company. (Refer Note 26(b))

Movement of Contract liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of contract liabilities	32.99	1,584.55
Advances received during the year	7,736.14	32.99
Advances adjusted during the year (on account of sales)	(7,542.06)	(1,584.55)
Closing balance	**227.07**	**32.99**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 17(a): Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
- Sale of products	6,520.74	4,340.79
- Sale of services	475.09	321.37
Total	**6,995.83**	**4,662.16**

Note 17(b): Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets at amortised cost	7.56	9.90
Net gain on disposal of property, plant and equipment	0.03	-
Net gain on foreign currency transactions and translation	26.14	-
Total	**33.73**	**9.90**

Note 18: Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw materials and packing materials at the beginning of the year	1,563.22	2,246.87
Add: Purchases	6,854.55	1,780.56
Less: Raw materials and packing materials at the end of the year	(2,087.99)	(1,563.22)
Total	**6,329.78**	**2,464.21**

Note 19: Changes in inventories of work-in-progress and finished goods

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance:		
Finished goods	1.96	0.24
Work-in-progress	148.46	1,556.72
Total(A)	**150.42**	**1,556.96**
Closing Balance:		
Finished goods	53.18	1.96
Work-in-progress	112.55	148.46
Total(B)	**165.73**	**150.42**
Changes in Changes in inventories of work-in-progress and finished goods (A)-(B)	**(15.31)**	**1,406.54**

Note 20: Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	605.01	498.70
Contribution to provident fund	37.08	33.85
Contribution to employee state insurance	1.38	2.81
Gratuity	9.52	8.02
Leave encashment	20.05	20.56
Staff welfare expenses	9.66	9.05
Total	**682.70**	**572.99**

Note 21: Depreciation expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	38.81	43.32
Total	**38.81**	**43.32**

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Hyderabad

Bhavyabhanu Electronics Pvt. Ltd. Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 22: Other expenses

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Consumption of stores and spares	0.27	18.28
Power and fuel	47.89	32.57
Repairs and maintenance		
Plant and machinery	42.54	39.32
Computers	0.99	0.43
Others	29.60	20.36
Travelling and conveyance	3.99	2.32
Printing and stationery	5.35	4.81
Telephone and communication charges	0.05	0.06
Operating lease rent	40.69	43.21
Insurance	4.48	7.60
Rates and taxes	0.53	1.09
Legal and professional fees	7.08	12.32
Payment to auditors (Refer note 23 (a))	6.25	6.75
Business promotion expenses	0.05	-
Security charges	6.64	5.98
Changes in expected credit loss in receivables	0.58	4.94
Bank charges and commission	10.97	4.39
Selling and distribution expenses	3.28	3.22
Foreign exchange fluctuations	-	0.23
Corporate social responsibility expenditure (Refer note 23 (b))	2.82	4.00
Miscellaneous expenses	8.95	8.67
Total	**223.00**	**220.55**

23(a): Details of payments to auditors

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
As statutory auditors		
-Statutory Audit fee	6.00	6.00
-Certification fees	0.25	0.75
Total payment to auditors	**6.25**	**6.75**

23(b): Corporate social responsibility expenditure

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Amount required to be spent as per section 135 of the Act	2.82	3.62
Amount of expenditure incurred	-	4.00
Amount of shortfall for the year	2.82	-
Amount of cumulative shortfall at the end of the year	2.82	-

The Company has made a provision for the amount remaining to be spent and the same will be transferred to fund specified under Schedule VII with in a period of 6 months from the year end date i.e. September 30, 2023.

23(c): Income tax expense

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Current Tax		
Current tax on profits for the year	-	-
Income tax relating to prior years	-	16.58
Total current tax expense	**-**	**16.58**
Deferred Tax		
Decrease (increase) in deferred tax assets	(3.42)	(6.47)
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense / (credit)	**(3.42)**	**(6.47)**
Total	**(3.42)**	**10.11**

Note 23(d): Reconciliation of tax expenses and accounting profit multiplied by tax rate:

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Profit before tax expense	(430.94)	(262.92)
Income tax rate	25.17%	25.17%
Income tax expense	**(108.46)**	**(66.17)**
Tax effects on amounts which are not deductible/ (taxable) in calculation of taxable income		
i) Deferred tax not created on business loss	13.96	29.29
ii) Prior year income tax	91.08	30.41
	-	16.58
Income tax recognised in statement of profit and loss	**(3.42)**	**10.11**

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Bhavyabhanu Electronics Pvt. Ltd. Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 24: Finance cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
- on borrowings	138.70	102.09
- on others	-	9.04
Other finance charges*	62.82	116.24
Total	**201.52**	**227.37**

*Other finance charges include commission on corporate guarantee provided by holding company amounting to Rs. 52.67 lakhs (March 2022: Rs. 105.35 lakhs)

Net debt reconciliation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents	0.26	1.21
Current borrowings	(1,659.77)	(1,055.95)
Total	**(1,659.51)**	**(1,054.74)**

Particulars	Assets	Liabilities	Total
	Cash and cash Equivalents	Current borrowings	
Net debt as at April 01, 2021	**0.42**	**(2,142.87)**	**(2,142.45)**
Cash flows (Net)	0.79	1,086.92	1,087.71
Net debt as at March 31, 2022	**1.21**	**(1,055.95)**	**(1,054.74)**
Cash flows (Net)	(0.95)	(603.82)	(604.77)
Net debt as at March 31, 2023	**0.26**	**(1,659.77)**	**(1,659.51)**

Note 25: Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax	(427.52)	(273.03)
Basic:		
Weighted average number of equity shares	**4,976,000**	**4,976,000**
Earnings per share (Rs.)	(8.59)	(5.49)
Diluted earnings per share (Rs.)	(8.59)	(5.49)

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 26: Related party disclosures
a. List of Related Parties:

Name of the Related Party	Nature of Relationship
Astra Microwave Products Limited	Holding company
Janyu Technologies Private Limited	Associate of holding company
Narasimhan Rajagopalan	Executive Director
Anjaneyulu Thallapalli	Director
Sunil Kumar Sharma	Director (upto December 10, 2022)
Maram Reddy	Additional Director (w.e.f. December 10, 2022)

b. Details of outstanding balances as at the year end where related party relationship existed:

Name of the related parties	Nature of balance	As at March 31, 2023	As at March 31, 2022
Astra Microwave Products Limited	Advance received for sale of products/ services	216.02	7.86
	Value of Corporate guarantee received for borrowings	4,300.00	4,300.00
Janyu Technologies Private Limited	Outstanding amount receivable against sale of products	4.43	4.43

c. Details of transactions during the year where related party relationship existed:

Name of the related parties	Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Astra Microwave Products Limited	Sale of products/ services	6,500.32	3,627.14
	Purchase of products	-	2.79
	Job work services	4.57	-
	Advance received	7,735.00	7.86
	Advance adjusted	7,526.84	1,489.60
	Reimbursement of expenses incurred by the holding company on behalf of the company	54.70	32.57
	Rent paid	40.69	43.21
Janyu Technologies Private Limited	Sale of products	-	4.48
	Job work services	-	0.86
	Advance received	-	0.90

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 27: Employee benefit obligations

a) Leave obligations
The leave obligation covers the company's liability for sick and earned leave. Refer Note 12 for details of provision made in this regard and Note 20 for the charge in the current year.

b) Defined Contribution Plan
The Company has defined contribution plan namely Provident fund. Contributions are made to provident fund at the rate of 12% of eligible salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan for the financial year 2022-23 is Rs. 37.08 and for the financial year 2021-22 is Rs. 33.85.

The company also contributes to Employees' state insurance Scheme administered by Employees' State Insurance Corporation. The expense recognised during the year towards defined contribution plan for the financial year 2022-23 is Rs. 1.38 and for the financial year 2021-22 is Rs. 2.81.

c) Defined Benefit Plan:
Gratuity
The company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. 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.

Defined benefit plan – as per actuarial valuation for the year ended March 31, 2023
i. Expense recognised in the statement of profit and loss:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
1. Current service cost	7.63	6.56
2. Interest cost (net)	1.89	1.46
Total expense/(gain) recognised in P&L	**9.52**	**8.02**

ii. Amount recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	(0.61)	-
- Financial Assumptions	(0.17)	(0.69)
- Experience Adjustments	1.56	0.51
Total expense/(gain) recognised in OCI	**0.78**	**(0.18)**

iii. Net Liability/(Asset) recognised in the Balance Sheet as at 31st March 2023

Particulars	As at March 31, 2023	As at March 31, 2022
1. Present value of defined benefit obligation as at 31st March	33.53	28.05
2. Current portion of the above	5.74	3.90
3. Non current portion of the above	27.79	24.15

iv. Changes in Obligation during the year

Particulars	As at March 31, 2023	As at March 31, 2022
A. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	28.05	22.30
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	7.63	6.56
- Past Service Cost		
- Interest Expense (Income)	1.89	1.46
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(0.61)	-
ii. Financial Assumptions	(0.17)	(0.69)
iii. Experience Adjustments	1.56	0.51
4. Benefit payments	(4.82)	(2.09)
Present value of defined benefit obligation at the end of the year	**33.53**	**28.05**

The key assumptions used in accounting for gratuity are as below

v. Actuarial assumptions	As at March 31, 2023	As at March 31, 2022
1. Interest rate/Discount rate	7.52%	7.39%
2. Rate of increase in compensation	6.00%	6.00%
3. Attrition rate	25.00%	20.00%

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	As at March 31, 2023	As at March 31, 2022
Discount rate (If changed by 1%)		
Increase	32.30	26.78
Decrease	34.88	29.45
Salary escalation rate (If changed by 1%)		
Increase	35.07	29.60
Decrease	32.09	26.61

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, 2023	As at March 31, 2022
Weighted average duration of DBO	4.69	5.65
Expected benefit payments		
Year 1	5.74	3.90
Year 2	5.85	4.10
Year 3	6.26	4.19
Year 4	5.15	4.19
Year 5	4.57	3.72
Beyond 5 years	19.89	12.84

vii. Risk exposure
Through its defined benefit plans, the Company 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.

LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 28: Segment information

The company 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, 2023	Year ended March 31, 2022
In India	6,995.83	4,662.16
Outside India*	-	-
Total	**6,995.83**	**4,662.16**

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

b. Geographical Segment assets

Particuarls	As at March 31, 2023	As at March 31, 2022
Segment assets		
India	188.26	186.63
Outside India	-	-
Total	**188.26**	**186.63**

Major Customers contributing more than 10 percent of revenue

The revenue from transactions with one customer exceeds 10% of the total revenue of the company the year ended March 31, 2023, amounting to Rs. 6,500.32 as against two customers for the year ended March 31, 2022, amounting to Rs. 4,171.21

Note 29: Assets pledged as security

The carrying amount of assets pledged as security for current borrowings are:

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Property, plant and equipment	163.77	186.37
Capital work-in-progress	17.75	-
Total non-current assets pledged as security (A)	**181.52**	**186.37**
Current		
Financial assets		
Trade receivables	178.84	288.15
Non-financial assets		
Inventories	2,253.72	1,713.64
Total current assets pledged as security (B)	**2,432.56**	**2,001.79**
Total assets pledged as security ((A) + (B))	**2,614.08**	**2,188.16**

Note 30: Commitments and contingent liabilities

The company does not have any significant capital commitments as on the reporting date. Also the company has been given certain performance guarantees amounting to Rs. 1,129.84 (March 2022: 1,133.98) which is not included in contingent liabilities.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

31: Financial Instruments

Fair value
The management assessed the fair value of trade receivables, cash and cash equivalents, other bank balances, other financial assets, current borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Financial instruments by category
The carrying value and fair value of financial instruments by categories as of March 31, 2023 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						
Other financial assets	2	112.49	-	-	112.49	112.49
Current						
Financial assets						
(a) Trade receivables	2	178.84	-	-	178.84	178.84
(b) Cash and cash equivalents		0.26	-	-	0.26	0.26
(c) Other bank balances		15.71	-	-	15.71	15.71
(d) Other financial assets	2	4.73	-	0.08	4.81	4.81
Total		**312.03**	**-**	**0.08**	**312.11**	**312.11**
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	2	1,659.77	-	-	1,659.77	1,659.77
(b) Trade payables	2	172.00	-	-	172.00	172.00
(c) Other financial liabilities	2	93.24	-	-	93.24	93.24
Total		**1,925.01**	**-**	**-**	**1,925.01**	**1,925.01**

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	2	15.51	-	-	15.51	15.51
Current						
Financial assets						
(a) Trade receivables	2	288.15	-	-	288.15	288.15
(b) Cash and cash equivalents		1.21	-	-	1.21	1.21
(c) Other bank balances		99.80	-	-	99.80	99.80
(d) Other financial assets	2	11.41	-	-	11.41	11.41
Total		**416.08**	**-**	**-**	**416.08**	**416.08**
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	2	1,055.95	-	-	1,055.95	1,055.95
(b) Trade payables	2	219.72	-	-	219.72	219.72
(c) Other financial liabilities	2	65.05	-	-	65.05	65.05
Total		**1,340.72**	**-**	**-**	**1,340.72**	**1,340.72**

Fair value of instruments is classified in various fair value hierarchies based on the following three levels:
Fair value hierarchy
Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

32:. Financial risk management

Risk management framework
The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company'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 Company'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 Company primarily deals with its Holding Company, where there is no credit risk. Regarding credit exposure from other customers, the Company 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 company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks with high credit ratings.

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

The company's exposure to credit is influenced mainly by collection pattern of trade receivables, which is generally skewed.

An impairment analysis performed at each reporting date for customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

a. Trade receivables
The Company applies the simplified approach permitted by Ind AS 109 Financial Instruments. The expected loss rate is assigned for each category based on historical collection pattern of sales, bucketing of receivables. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Expected loss allowance as at 31 March 2023 and 31 March 2022 was determined as follows for trade receivables under the simplified approach:

As at March 31, 2023	Outstanding for following periods from the date of transactions				Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	Above 2 years	
Gross carrying amount	117.22	53.99	5.21	8.01	184.43
Expected credit losses	1.17	2.70	0.52	1.20	5.59
Carrying amount of trade receivables (net of impairment)	**116.05**	**51.29**	**4.69**	**6.81**	**178.84**

As at March 31, 2022	Outstanding for following periods from the date of transactions				Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	Above 2 years	
Gross carrying amount	269.85	11.66	0.39	11.26	293.16
Expected credit losses	2.70	0.58	0.04	1.69	5.01
Carrying amount of trade receivables (net of impairment)	**267.15**	**11.08**	**0.35**	**9.57**	**288.15**

Expected loss rate

Age bucket	Default percentage
Less than 6 months	1%
6 months to 1 year	5%
1 year to 2 years	10%
Above 2 years	15%

b. The Company'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, 2023	As at March 31, 2022
Cash and cash equivalents	0.26	1.21
Other bank balances	15.71	99.80
Other financial assets	117.30	26.92
Less: Expected credit loss	-	-
	133.27	**127.93**

Movement in Expected Credit Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	5.01	0.07
Add: provided/(reversed) during the year	0.58	4.94
Net re-measurement of ECL	**5.59**	**5.01**

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

The expected loss allowance is based on aforesaid factors. The company uses judgement in making these assumptions and selecting the inputs to the provision for expected credit loss calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. 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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	178.84	288.15
Cash and cash equivalents	0.26	1.21
Other bank balances	15.71	99.80
Other financial assets	117.22	26.92
	312.03	**416.08**

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

Management monitors cash and cash equivalents on the basis of expected cash flows.
The Company 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, 2023, the expected cash flows from financial assets is Rs. 178.84 lakhs (As at March 31, 2022: Rs.288.15 lakhs).

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(i) Financing arrangements
The company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (bank overdraft and other facilities)	640.23	1,244.05

(ii) Maturities of Financial Liabilities
2022-23

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	1,659.77	-	-	1,659.77
Trade payables	172.00	-	-	172.00
Other financial liabilities	93.24	-	-	93.24
Total	**1,925.01**	-	-	**1,925.01**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Bhavyabhanu Electronics Pvt. Ltd.
Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

2021-22

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	1,055.95	-	-	1,055.95
Trade payables	219.72	-	-	219.72
Other financial liabilities	65.05	-	-	65.05
Total	**1,340.72**	-	-	**1,340.72**

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings and trade receivables and trade payables involving foreign currency exposure. The sensitivity analysis in the following sections relate to the position as at March 31, 2023 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 March 31, 2023 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade payables. The risks primarily relate to fluctuations in US Dollar, JPY, GBP and EURO against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

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

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Payable	USD	0.62	51.25	0.30	22.56
	JPY	*	*	-	-
	GBP	1.22	123.72	-	-
	EURO	0.02	1.72	0.02	1.62

* Amount is below the rounding off norm adopted by the company.

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the USD or JPY or GBP or 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	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
31-03-2023 (5% change)	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
USD	(2.56)	2.56	(1.92)	1.92
JPY	*	*	*	*
GBP	(6.19)	6.19	(4.63)	4.63
EURO	(0.09)	0.09	(0.06)	0.06
31-03-2022 (5% change)				
USD	(1.13)	1.13	(0.84)	0.84
EURO	(0.08)	0.08	(0.06)	0.06

* Amount is below the rounding off norm adopted by the company.

Price Risk
There are no company's investments which are subjected to price risk.

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 company 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. As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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 Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Change in interest rate				
-increase by 50 basis points	(0.69)	(0.51)	(0.52)	(0.38)
-decrease by 50 basis points	0.69	0.51	0.52	0.38

33: Capital Management
The Company'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, 2023, the company has only one class of equity shares. Consequent to the above capital structure there are no externally imposed capital requirements.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Capital gearing ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings		
Current borrowings	1,659.77	1,055.95
Cash and cash equivalents	(0.26)	(1.21)
Net Debt	**1,659.51**	**1,054.74**
Equity		
Equity share capital	497.60	497.60
Other equity	354.14	729.57
Total capital	**851.74**	**1,227.17**
Net debt to equity ratio	195%	86%

34: Short term Lease

a) Nature of lease	The company has taken equipment and office premises on lease.
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) expense on account of short term leases	The lease expense recognised in respect of short term leases is Rs. 40.69 (refer note 22)
d) Cash outflow	The lease rent paid is Rs. 40.69 lakhs

Waterhouse Chartered Accountants LLPIN AAC-5001 FRN 012754N/N500016 Hyderabad

Bhavyabhanu Electronics Pvt Ltd Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 35: Additional regulatory information required by Schedule III

(i) Title deeds of immovable properties not held in name of the company.
The company does not hold any immovable properties.

(ii) Details of benami property held
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowing secured against current assets
The company has borrowings from banks on the basis of security of current assets. The quarterly statements filed by the company with banks are not in agreement with the books of accounts as set out below.

Quarter	Name of bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Amount as per books of account	Amount as reported in quarterly statement	Amount of difference - (excess)/short	Reasons for difference
June 30, 2022	HDFC Bank	Rs. 23 Cr	Inventories and Trade Receivables	Inventories: 2,022.19 lakhs	Inventories: 2,022.19 lakhs	Nil	None
				Trade Receivables: 84.12 lakhs	Trade Receivables: 84.12 lakhs	Nil	None
September 30, 2022	HDFC Bank	Rs. 23 Cr	Inventories and Trade Receivables	Inventories: 1,846.61 lakhs	Inventories: 1,846.61 lakhs	Nil	None
				Trade Receivables: 167.87 lakhs	Trade Receivables: 153.99 lakhs	Trade Receivables: 13.88 Lakhs	On account of considering the credit balance of customer which has been reclassified to contract liabilities.
December 31, 2022	HDFC Bank	Rs. 23 Cr	Inventories and Trade Receivables	Inventories: 2,147.36 lakhs	Inventories: 2,147.36 lakhs	Nil	None
				Trade Receivables: 145.26 lakhs	Trade Receivables: 145.26 lakhs	Nil	None
March 31, 2023	HDFC Bank	Rs. 23 Cr	Inventories and Trade Receivables	Inventories: 2,253.72 lakhs	Inventories: 2,234.68 lakhs	Inventories: 19.04 lakhs	Purchases recorded on account of Goods in transit in books of accounts.
				Trade Receivables: 88.82 lakhs	Trade Receivables: 88.82 lakhs	Nil	None

(iv) Willful defaulter
The company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies
The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Registration of charges or satisfaction with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(vii) Compliance with number of layers of companies
The company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(viii) Compliance with approved scheme(s) of arrangements
The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(ix) Utilisation of borrowed funds and share premium
(A) The company 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
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(B) The company 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.

(x) 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.

(xi) Details of crypto currency or virtual currency
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xii) Valuation of PP&E, intangible asset and investment property
The company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(xiii) Utilisation of borrowings availed from banks and financial institutions
The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
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Bhavyabhanu Electronics Pvt. Ltd.
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Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

(xiv) Analytical Ratios

S.No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance of above 25%
a	Current Ratio (no of times)	Total current assets	Total current liabilities	1.26	1.74	-27.59%	Variance is primarly on account of increase in borrowings.
b	Debt-Equity ratio (no of times)	Borrowings	Total Equity	1.95	0.86	126.74%	Variance is primarly on account of increase in borrowings in the current year.
c	Debt Service Coverage Ratio (no of times)	Earnings available for debt service	Debt service	(0.14)	(0.11)	27.27%	Variance is primarly on account of increase in borrowings in the current year.
d	Return on Equity (%)	Profit after tax	Average shareholders equity	-41.13%	-20.83%	97.46%	Variance is primarly on account of increase in loss during the year.
e	Inventory Turnover Ratio (no of times)	Revenue from sale of products	Average inventory	3.29	1.57	109.55%	Variance is primarly on account of increase in revenue and decrease in average inventory.
f	Trade Receivables Turnover Ratio (no of times)	Total Revenue from operations	Closing trade receivables	39.12	16.18	141.78%	Variance is primarly on account of increase in revenue and collections from customers.
g	Trade Payables Turnover Ratio (no of times)	Total purchases	Closing trade payables	39.85	8.10	391.98%	Variance is primarly on account of increase in purchases and payment to suppliers.
h	Net Capital Turnover Ratio (no of times)	Total Revenue from operations	Average working capital	8.79	4.39	100.23%	Variance is primarly on account of increase in revenue.
i	Net Profit Ratio (%)	Profit after tax	Total Revenue from operations	-6.11%	-5.86%	4.27%	Not applicable as the variance is below 25%
j	Return on Capital Employed (%)	Earnings before interest and taxes	Average capital employed	-12.19%	-5.53%	120.43%	Variance is primarly on account of decrease in earnings due to decrease in margins.
k	Return on Investment (%)	Earnings before interest and taxes	Closing of total assets	-9.48%	-6.03%	57.21%	Variance is primarly on account of decrease in earnings on account of decrease in margins and increase in total assets.

Description of numerator and denominator:

a **Current Ratio**
Current Ratio is computed as a ratio of total current assets to total current liabilities.

b **Debt - Equity Ratio**
Debt - Equity Ratio is computed as a ratio of borrowings to total equity.

c **Debt Service Coverage Ratio**
Debt Service Coverage Ratio is computed as a ratio of earnings available for debt service to debt service.
i) Earnings available for debt service is sum of profit after tax, finance cost and non cash expenditure
ii) Debt service is sum of finance cost and principal repayments.

d **Return on Equity Ratio**
Return on Equity Ratio is computed as a ratio of profit after tax to average of opening & closing total equity.

e **Inventory Turnover Ratio**
Inventory Turnover Ratio is computed as a ratio of revenue from sale of products to average of opening & closing inventory.

f **Trade Receivables Turnover Ratio**
Trade Receivables Turnover Ratio is computed as a ratio of revenue from operations to closing trade receivables

g **Trade Payables Turnover Ratio**
Trade Payables Turnover Ratio is computed as a ratio of total purchases to closing trade payables.

h **Net Capital Turnover Ratio**
Net Capital Turnover Ratio is computed as a ratio of revenue from operations to average of opening & closing working capital.

i **Net Profit Ratio**
Net Profit Ratio is computed as a ratio of profit after tax to revenue from operations.

j **Return on Capital Employed**
Return on Capital Employed is computed as a ratio of profit before interest & taxes to average of opening & closing capital employed.

Capital employed consists of total equity and deferred tax liability.

k **Return on Investment**
For equity
Return on Investment is computed as a ratio of EBIT to closing total assets.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Hyderabad

Bhavyabhanu Electronics Pvt. Ltd. Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2023
(All amounts are in Rs. Lakhs, except otherwise stated)

Note-36: Ageing of trade receivables

FY 2022-23	Unbilled	Not due	Outstanding for following periods from the date of transactions					
Particulars			**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables								
– considered good	-	-	116.05	51.29	4.69	0.17	6.64	178.84
– which have significant increase in credit risk	-	-	1.17	2.70	0.52	0.03	1.17	5.59
– credit impaired	-	-	-	-	-	-	-	-
(ii) Disputed trade receivables – considered good								
– considered good	-	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-	-

FY 2021-22	Unbilled	Not due	Outstanding for following periods from the date of transactions					
Particulars			**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables								
– considered good	-	-	267.15	11.08	0.35	0.48	9.09	288.15
– which have significant increase in credit risk	-	-	2.70	0.58	0.04	0.08	1.61	5.01
– credit impaired	-	-	-	-	-	-	-	-
(ii) Disputed trade receivables – considered good								
– considered good	-	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-	-

Note-37: Ageing of trade payables

FY 2022-23	Unbilled	Not due	Outstanding for following periods from the date of transactions				
Particulars			**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade payables							
– Micro enterprises and small enterprises	-	-	12.54	1.47		-	14.01
– Others	-	19.01	85.35	37.06	10.62	5.95	157.99
(ii) Disputed trade payables							
– Micro enterprises and small enterprises	-	-	-	-	-	-	-
– Others	-	-	-	-	-	-	-

FY 2021-22	Unbilled	Not due	Outstanding for following periods from the date of transactions				
Particulars			**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed trade payables							
– Micro enterprises and small enterprises	-	-	14.89	-	-	-	14.89
– Others	-	106.92	79.17	11.08	4.13	3.53	204.83
(ii) Disputed trade payables							
– Micro enterprises and small enterprises	-	-	-	-	-	-	-
– Others	-	-	-	-	-	-	-

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

Srikanth Pola
Partner
Membership Number: 220916

Place : Hyderabad
Date : May 25, 2023

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624