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, 2025, 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 material accounting policy information 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, 2025, and total comprehensive income (comprising of profit 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.

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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 Indian 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.

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.

7. 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

8. 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.

9. As part of an audit in accordance with SAs, we exercise professional judgement 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.

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- 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.

10. 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

11. 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.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 (as amended) ("the Rules").

(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 Indian 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, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(g) 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".

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Price Waterhouse Chartered Accountants LLP

(h) 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, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2025.

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, 2025.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 35(ix)(A) to the financial statements, 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.

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35(ix)(B) to the financial statements, 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; 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.

vi. Based on our examination, the Company has used accounting software "SAP" for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, in the absence of adequate evidence of necessary controls and documentation regarding audit trail, we are unable to comment whether audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

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13. The provisions of Section 197 read with Schedule V to the Act are 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

Pranav Kumar Evani
Partner
Membership Number: 515171
UDIN: 25515171BMOXFT3336
Hyderabad
May 21, 2025

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) 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, 2025

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, 2025 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 specified 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.

Annexure A to Independent Auditor's Report

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.

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, 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, 2025, 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

Evani

Pranav Kumar Evani
Partner
Membership Number: 515171
UDIN: 25515171BMOXFT3336
Hyderabad
May 21, 2025

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 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, 2025

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(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) The Company does not own any immovable properties (refer Note 2(a) to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is 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 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 the 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 returns or 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)

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Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Bhavyabhanu Electronics Private Limited on the financial statements for the year ended March 31, 2025

Quarter ended	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, 2024	HDFC Bank	2,300	Inventories and Trade Receivables	Inventories: 783.83	Inventories: 782.5	Inventories: (1.33)	On account of purchases recorded due to Goods in Transit in books of accounts
				Trade Receivables: 404.35	Trade Receivables: 235.11	Trade Receivables: (169.24)	Basis the terms and conditions the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.
September 30, 2024	HDFC Bank	2,300	Inventories and Trade Receivables	Inventories: 801.71	Inventories: 803.08	Inventories: 1.37	On account of considering the provision for net realisable value in the books of accounts.
				Trade Receivables: 416.86	Trade Receivables: 300.75	Trade Receivables: (116.11)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.
December 31, 2024	HDFC Bank	2,300	Inventories and Trade Receivables	Inventories: 737.52	Inventories: 737.48	Inventories: (0.04)	On account of purchases recorded due to Goods in Transit in books of accounts
				Trade Receivables: 155.3	Trade Receivables: 96.63	Trade Receivables: (58.67)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.
March 31, 2025	HDFC Bank	1,500	Inventories and Trade Receivables	Inventories: 703.02	Inventories: 706.12	Inventories: 3.1	On account of considering the provision for net realisable value in the books of accounts.
				Trade Receivables: 187.44	Trade Receivables: 160.94	Trade Receivables: (26.5)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.

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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 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.

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 certain 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) 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, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) Loans and borrowings amounting to Rs. 493.77 are repayable on demand and terms and conditions for payment of interest thereon have been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the year. Consequently, the question of our commenting under clause 3(ix)(a) of the Order does not arise.

(b) 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) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(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 utilised 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, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

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(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, 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, 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 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.

xiii. The Company is a private company as defined under section 2(68) of the Act and has entered into transactions only with the related parties covered under section 2(76)(viii). Consequently, the provisions of section 188 are not applicable to the Company. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act. Accordingly, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion 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.

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(d) Based on the information and explanation provided by the management of the company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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 not incurred any cash losses in the financial year and had incurred cash losses of Rs. 187.30 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 3(xviii) of the Order is not applicable.

(xix). On the basis of the financial ratios, 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 the 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.

(xx). The provision relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(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

Evani

Pranav Kumar Evani
Partner
Membership Number: 515171
UDIN: 25515171BMOXFT3336
Hyderabad
May 21, 2025

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Balance Sheet as at March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	2(a)	139.39	154.62
Capital work-in-progress	2(b)	307.39	-
Financial assets			
Other financial assets	3(a)	4.79	131.24
Deferred tax assets (net)	9	66.03	95.88
Non-current tax assets	8	30.95	22.44
Other non-current assets	4(a)	-	1.18
Total non-current assets		**548.55**	**405.36**
Current assets			
Inventories	5	703.02	894.60
Financial assets			
i. Trade receivables	6	181.10	736.30
ii. Cash and cash equivalents	7A	0.20	0.05
iii. Bank balances other than (ii) above	7B	127.23	0.74
iv. Other financial assets	3(b)	19.55	10.96
Other current assets	4(b)	37.28	80.02
Total current assets		**1,068.38**	**1,722.67**
Total assets		**1,616.93**	**2,128.03**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	497.60	497.60
Other equity	11	282.35	193.60
Total equity		**779.95**	**691.20**
LIABILITIES			
Non-current liabilities			
Provisions	12(a)	65.49	50.44
Total non-current liabilities		**65.49**	**50.44**
Current liabilities			
Financial liabilities			
i. Borrowings	13	493.77	1,076.79
ii. Trade payables	14		
(a) total outstanding dues of micro and small enterprises		1.59	1.43
(b) total outstanding dues other than micro and small enterprises		100.70	94.28
iii. Other financial liabilities	15	132.53	80.26
Contract liabilities	16(b)	8.79	8.52
Provisions	12(b)	23.11	16.67
Other current liabilities	16(a)	11.00	108.44
Total current liabilities		**771.49**	**1,386.39**
Total liabilities		**836.98**	**1,436.83**
Total equity and liabilities		**1,616.93**	**2,128.03**
Summary of material 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

Pranav Kumar Evani
Partner
Membership Number: 515171

Place: Hyderabad
Date: May 21, 2025

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Place: Hyderabad
Date: May 21, 2025

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Statement of Profit and Loss for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income :			
Revenue from operations	17(a)	2,041.90	4,846.44
Other income	17(b)	12.37	8.97
Total income		**2,054.27**	**4,855.41**
Expenses :			
Cost of materials consumed	18	525.08	3,909.69
Changes in inventories of work-in-progress and finished goods	19	117.67	(25.11)
Employees benefits expense	20	914.79	753.31
Finance costs	24	134.30	225.27
Depreciation expense	21	38.22	39.09
Other expenses	22	255.97	238.74
Total expenses		**1,986.03**	**5,140.99**
Profit/(Loss) before tax		**68.24**	**(285.58)**
Income tax expense	23(b)		
- Current tax		-	-
- Deferred tax		30.12	(71.39)
Net profit/(loss) for the year		**38.12**	**(214.19)**
Other comprehensive income :			
Items that will not be reclassified to profit or loss			
a) Remeasurements of post-employment benefit obligations		(1.09)	(3.62)
b) Income tax relating to item (a) above		0.27	0.91
Other comprehensive income/(loss) for the year, net of tax		**(0.82)**	**(2.71)**
Total comprehensive income/(loss) for the year		**37.30**	**(216.90)**
Earnings per equity share			
Basic earnings per share	25	0.77	(4.30)
Diluted earnings per share	25	0.77	(4.30)
Summary of material 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

Eva.PK

Pranav Kumar Evani
Partner
Membership Number: 515171

Place: Hyderabad
Date: May 21, 2025

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 21, 2025

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Statement of Cash Flows for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from operating activities		
Profit/(Loss) before tax	**68.24**	**(285.58)**
Adjustments for:		
Depreciation expense	38.22	39.09
Finance costs*	134.30	225.27
Interest income from financial assets carried at amortised cost	(10.64)	(8.97)
Unrealised exchange (gain)/loss	(0.12)	0.36
Changes in expected credit loss in trade receivables	(1.73)	2.48
Operating profit/(loss) before working capital changes	**228.27**	**(27.35)**
Changes in assets and liabilities:		
(Increase) / Decrease in inventories	191.58	1,359.12
(Increase) / Decrease in trade receivables	556.93	(559.94)
(Increase) / Decrease in other financial assets	-	0.08
(Increase) / Decrease in other non-current assets	1.18	5.56
(Increase) / Decrease in other current assets	42.74	210.39
Increase/(Decrease) in trade payable	6.68	(76.64)
Increase/(Decrease) in provisions	20.40	(0.73)
Increase/(Decrease) in other financial liabilities	51.38	0.99
Increase/(Decrease) in contract liabilities	0.27	(218.55)
Increase/(Decrease) in other current liabilities	(97.44)	92.70
Cash generated from/(used in) operating activities	**1,001.99**	**785.63**
Income taxes (paid)/refund (Net)	(8.51)	(6.74)
Net cash generated from/(used in) operating activities	**993.48**	**778.89**
Cash flows from investing activities		
Payments for property, plant and equipment and capital work-in-progress	(329.47)	(26.16)
Deposits with banks matured during the year	131.98	128.20
Deposits with banks made during the year	(132.02)	(131.98)
Interest received	2.05	2.74
Net cash used in investing activities	**(327.46)**	**(27.20)**
Cash flows from financing activities		
Finance cost paid	(82.85)	(168.92)
Net cash used in financing activities	**(82.85)**	**(168.92)**
Net increase/(decrease) in cash & cash equivalents	**583.17**	**582.77**
Cash & cash equivalents at the beginning of the financial year	(1,076.74)	(1,659.51)
Cash & cash equivalents at the end of the financial year	**(493.57)**	**(1,076.74)**
*Includes commission on corporate guarantee provided by holding company	51.45	56.36

Reconciliation of cash and cash equivalents

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Balances with banks		
-In current accounts	-	-
-Cash on hand	0.20	0.05
Cash and cash equivalents (Note 7A)	**0.20**	**0.05**
Cash credit facility (Note 13)	(493.77)	(1,076.79)
Balance as per statement of cash flows	**(493.57)**	**(1,076.74)**

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

Pranav Kumar Evani
Partner
Membership Number: 515171

Place: Hyderabad
Date: May 21, 2025

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Place: Hyderabad
Date: May 21, 2025

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

A. Equity share capital

Particulars	Note	Equity share capital
Balance at April 01, 2023		497.60
Changes in equity share capital		-
Balance at March 31, 2024	10	497.60
Changes in equity share capital		-
Balance as at March 31, 2025		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, 2023		**263.37**	**192.28**	**(101.51)**	**354.14**
Profit/(loss) for the year		-	-	(214.19)	(214.19)
Other comprehensive income*		-	-	(2.71)	(2.71)
Deemed investment in the nature of equity		56.36	-	-	56.36
Balance at March 31, 2024	11	**319.73**	**192.28**	**(318.41)**	**193.60**
Profit/(loss) for the year		-	-	38.12	38.12
Other comprehensive income*		-	-	(0.82)	(0.82)
Deemed investment in the nature of equity		51.45	-	-	51.45
Balance at March 31, 2025		**371.18**	**192.28**	**(281.11)**	**282.35**

*Includes Rs. 0.82 (March 31, 2024: Rs. 2.71 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

Pranav Kumar Evani
Partner
Membership Number: 515171

Place: Hyderabad
Date: May 21, 2025

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Place: Hyderabad
Date: May 21, 2025

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2025
(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 subsidiary of Astra Microwave Products Limited.

Basis of preparation:

(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.

(iii) New and amended standards adopted by the company

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

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

Material accounting policies:

Note 1.1: Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation.

Depreciation/amoritsation 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 which are as follows:

Asset description	Life of the asset (in years)
Plant and machinery	15
Air conditioners	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.

Refer note 36.11 for other accounting polices relevant to property, plant and equipment.

Note 1.2: 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.

Note 1.3: Financial assets:

(i) Classification of financial assets at amortised cost:

The company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, cash and cash equivalents, other bank balances and security deposits grouped under other financial assets.

Refer note 36.9 & note 36.10 for other accounting policies relevant to financial assets & derivatives.

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Hyderabad

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Notes to financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 1.4: 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.
For trade receivables, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
Refer Note 32 for the description of the company's impairment policies

Note 1.5: Inventories:
Assigning cost to inventories:
The cost of individual items of inventory are determined on a weighted average basis. Volume rebates or discounts are taken into account when estimating the cost of inventory if it is probable that they have been earned and will take effect.
Refer note 36.8 for other accounting policies for inventories.

Note 1.6: 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.
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 job work and 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.

Note 1.7: 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.

Critical estimates and judgements:

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

This note provides an overview of the areas that involved a high degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.
The area involving critical estimates or judgements is:
1. Estimation of defined benefit obligation (refer Note - 27)
2. Provision for expected credit loss (refer Note - 32)
3. Useful lives of property, plant & equipment (refer Note-1.1 & 21)
4. Net realisable value - inventory (refer Note 1.5 & 36.8)

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.

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Bhavyabhanu Electronics (P) Ltd.
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Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2025
(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 April 01, 2024	Additions	Deletions / transfers	As at March 31, 2025	As at April 01, 2024	For the year	On disposals	As at March 31, 2025	As at March 31, 2025
Plant & machinery	384.92	18.03	-	402.95	268.13	22.27	-	290.40	112.55
Air conditioners	12.38	0.60	-	12.98	2.25	2.68	-	4.93	8.05
Office equipment	2.20	0.79	-	2.99	1.83	0.30	-	2.13	0.86
Computers	35.81	2.97	-	38.78	20.16	10.16	-	30.32	8.46
Furniture & fixtures	43.82	0.60	-	44.42	32.14	2.81	-	34.95	9.47
Total	479.13	22.99	-	502.12	324.51	38.22	-	362.73	139.39

Particulars	Gross carrying value				Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions	Deletions / transfers	As at March 31, 2024	As at April 01, 2023	For the year	On disposals	As at March 31, 2024	As at March 31, 2024
Plant & machinery	384.60	0.32	-	384.92	242.23	25.90	-	268.13	116.79
Air conditioners	1.70	10.68	-	12.38	1.24	1.01	-	2.25	10.13
Office equipment	2.11	0.09	-	2.20	1.55	0.28	-	1.83	0.37
Computers	16.96	18.85	-	35.81	12.36	7.80	-	20.16	15.65
Furniture & fixtures	43.82	-	-	43.82	28.04	4.10	-	32.14	11.68
Total	449.19	29.94	-	479.13	285.42	39.09	-	324.51	154.62

No impairment losses recognised during current year and previous year.

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Bhavyabhanu Electronics (P) Ltd. Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

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

Particulars	Movement schedule			
	As at April 01, 2024	Additions	Deletions / capitalisations	As at March 31, 2025
Capital work-in-progress	-	307.39	-	307.39

Particulars	Movement schedule			
	As at April 01, 2023	Additions	Deletions / capitalisations	As at March 31, 2024
Capital work-in-progress	17.75	1.10	18.85	-

Capital work-in-progress ageing schedule as at March 31, 2025:

Capital work in progress	Amount in Capital work-in-progress for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	307.39	-	-	-	307.39
Projects temporarily suspended	Nil				

Capital work-in-progress (CWIP) as at March 31, 2025 consists of pick and place machine which was not yet installed during the current year.
During the current 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.

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Bhavyabhanu Electronics (P) Ltd. Hyderabad

Bhavyabhanu Electronics Private Limited
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Notes to financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 3: Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
a) Non-current, carried at amortised cost		
Unsecured, considered good		
Security deposits	0.50	0.50
Deposits with maturity of more than 12 months*	4.29	130.74
Total	**4.79**	**131.24**
b) Current		
- Interest receivable on deposits with banks	19.55	10.96
Total	**19.55**	**10.96**

* Earmarked with banks for providing bank guarantees to customers and government authorities

Note 4: Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
a) Non-current		
Unsecured, considered good		
Prepayments	-	1.18
Total	**-**	**1.18**
b) Current :		
Unsecured, considered good		
Prepayments	13.31	12.69
Balance with government authorities	9.78	-
Advance to suppliers	14.19	67.33
Total	**37.28**	**80.02**

Note 5: Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials*	629.85	703.76
Work-in-progress	69.45	188.69
Finished goods	3.72	2.15
Total	**703.02**	**894.60**

*Raw materials include goods-in-transit Rs. Nil (March 2024 : Rs. 10.87)
Write-down of inventories to net realisable value amounted to Rs. 3.14 (March 2024 : Rs: 5.36)

Note 6: Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers		
Unsecured		
- Related parties (Refer note: 26)	4.43	490.03
- Others	183.01	254.34
Less: Expected credit loss	(6.34)	(8.07)
Total	**181.10**	**736.30**

Ageing of trade receivables:

FY 2024-25

Particulars	Outstanding for following periods from the date of transactions: 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	178.89	1.58	0.63	-	-	181.10
– which have significant increase in credit risk	1.81	0.01	0.03	-	4.49	6.34
– credit impaired	-	-	-	-	-	-
(ii) Disputed trade receivables – considered good						
– considered good	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-

FY 2023-24

Particulars	Outstanding for following periods from the date of transactions: 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	732.48	-	-	3.82	-	736.30
– which have significant increase in credit risk	7.40	-	-	0.67	-	8.07
– credit impaired	-	-	-	-	-	-
(ii) Disputed trade receivables – considered good						
– considered good	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-

Note 7: Cash and bank balances
7A: Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.20	0.05
Total	**0.20**	**0.05**

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, 2025	As at March 31, 2024
Deposits with maturity of more than 3 months and less than 12 months*	127.23	0.74
Total	**127.23**	**0.74**

*Earmarked with banks for providing bank guarantees to customers and government authorities

Note 8: Non-current tax assets

Particulars	As at March 31, 2025	As at March 31, 2024
Tax deducted at source	30.95	22.44
Total	**30.95**	**22.44**

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CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 9: Deferred tax asset (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	66.03	95.88
Total	**66.03**	**95.88**

Financial Year 2024-25	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	7.71	1.16	-	8.87
Provision for gratuity	8.72	2.30	0.27	11.29
Provision for leave encashment	8.17	2.83	-	11.00
Provision for expected credit loss	2.03	(0.44)	-	1.59
Provision for bonus	-	18.07	-	18.07
Tax losses	55.07	(54.04)	-	1.03
Corporate guarantee	14.18	-	-	14.18
Deferred tax assets	**95.88**	**(30.12)**	**0.27**	**66.03**

Financial Year 2023-24	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	6.01	1.70	-	7.71
Provision for gratuity	8.43	(0.62)	0.91	8.72
Provision for leave encashment	7.73	0.44	-	8.17
Provision for expected credit loss	1.41	0.62	-	2.03
Tax losses	-	55.07	-	55.07
Corporate guarantee	-	14.18	-	14.18
Deferred tax assets	**23.58**	**71.39**	**0.91**	**95.88**

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Bhavyabhanu Electronics (P) Ltd. ★ Hyderabad

Bhavyabhanu Electronics Private Limited
CIN: U32209TG2013PTC089834

Notes to financial statements as at and for the year ended March 31, 2025
(All amounts are in Rs. Lakhs, except otherwise stated)

Note 10: Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised share capital:		
5,000,000 (March 2024: 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 2024: 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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024	
	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, 2025**		**% change during the year**
	No. of shares	% of shares	
Astra Microwave Products Limited (including its nominees)	4,976,000	100.00%	-
Total	**4,976,000**	**100.00%**	-

Shares held by the promoters at the end of the year			
Promoter name	**As at March 31, 2024**		**% change during the year**
	No. of shares	% of shares	
Astra Microwave Products Limited (including its nominees)	4,976,000	100.00%	-
Total	**4,976,000**	**100.00%**	-

Note 11: Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Reserves and surplus:		
Securities premium account	192.28	192.28
Deemed investment in the nature of equity	371.18	319.73
Retained earnings	(281.11)	(318.41)
Total	**282.35**	**193.60**

(i) Securities premium account

Particulars	As at March 31, 2025	As at March 31, 2024
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, 2025	As at March 31, 2024
Opening balance	319.73	263.37
Movement during the year	51.45	56.36
Closing balance	**371.18**	**319.73**

(iii) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	(318.41)	(101.51)
Profit for the year	38.12	(214.19)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(0.82)	(2.71)
Closing balance	**(281.11)**	**(318.41)**

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.

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Note 12: Provisions*

Particulars	As at March 31, 2025	As at March 31, 2024
a) Non-current		
Provision for employee benefit obligations		
- Leave encashment	29.03	21.53
- Gratuity	36.46	28.91
Total	**65.49**	**50.44**
b) Current		
Provision for employee benefit obligations		
- Leave encashment	14.66	10.90
- Gratuity	8.45	5.77
Total	**23.11**	**16.67**

*Refer note 27 for employee benefit obligations

Note 13: Current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Cash credit facility	493.77	1,076.79
Total	**493.77**	**1,076.79**

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 10.09% and 10.63% per annum (March 2024: 10.55% to 11.14%).
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, 2025	As at March 31, 2024
Total outstanding dues of micro and small enterprises (Refer note 14(a))	1.59	1.43
Total outstanding dues of other than micro and small enterprises	100.70	94.28
Total	**102.29**	**95.71**

Ageing of trade payables:

FY 2024-25 Particulars	Not due	Outstanding for following periods from the date of transactions				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade payables						
– Micro enterprises and small enterprises	-	1.59	-	-	-	1.59
– Others	5.40	95.30	-	-	-	100.70
(ii) Disputed trade payables						
– Micro enterprises and small enterprises	-	-	-	-	-	-
– Others	-	-	-	-	-	-

FY 2023-24 Particulars	Not due	Outstanding for following periods from the date of transactions				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade payables						
– Micro enterprises and small enterprises	-	1.43	-	-	-	1.43
– Others	16.34	56.30	16.57	3.06	2.01	94.28
(ii) Disputed trade payables						
– Micro enterprises and small enterprises	-	-	-	-	-	-
– Others	-	-	-	-	-	-

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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, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	1.59	1.43
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, 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.	-	-
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.	-	-

Note 15: Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Capital creditors	0.89	-
Payable to employees	131.64	80.26
Total	**132.53**	**80.26**

Note 16(a): Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory tax payables	11.00	108.44
Total	**11.00**	**108.44**

Note 16(b): Contract liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Advance from customers*	8.79	8.52
Total	**8.79**	**8.52**

*Includes amount of Rs. 7.46 from holding company as at March 31, 2025 (Refer Note 26(b))

Movement of Contract liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance of contract liabilities	8.52	227.07
Advances received during the year	626.70	4,456.89
Advances adjusted during the year (on account of sales)	(626.43)	(4,675.44)
Closing balance	**8.79**	**8.52**

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Note 17(a): Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from contracts with customers		
- Sale of products	498.72	4,515.96
- Sale of services	1,543.18	330.48
Total	**2,041.90**	**4,846.44**

Note 17(b): Other income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest income from financial assets at amortised cost	10.64	8.97
Provision no longer required return back	1.73	-
Total	**12.37**	**8.97**

Note 18: Cost of materials consumed

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Raw materials at the beginning of the year	703.76	2,087.99
Add: Purchases	451.17	2,525.46
Less: Raw materials at the end of the year	(629.85)	(703.76)
Total	**525.08**	**3,909.69**

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance:		
Finished goods	2.15	53.18
Work-in-progress	188.69	112.55
Total(A)	**190.84**	**165.73**
Closing balance:		
Finished goods	3.72	2.15
Work-in-progress	69.45	188.69
Total(B)	**73.17**	**190.84**
Changes in changes in inventories of work-in-progress and finished goods (A)-(B)	**117.67**	**(25.11)**

Note 20: Employee benefits expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	812.29	666.72
Contribution to provident fund	41.24	38.98
Contribution to employee state insurance	0.90	1.39
Gratuity	12.50	9.90
Leave encashment	28.69	24.72
Staff welfare expenses	19.17	11.60
Total	**914.79**	**753.31**

Note 21: Depreciation expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of property, plant and equipment	38.22	39.09
Total	**38.22**	**39.09**

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Note 22: Other expenses

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Consumption of stores and spares	2.27	0.51
Power and fuel	51.75	58.65
Repairs and maintenance		
Plant and machinery	61.76	38.19
Computers	0.70	0.35
Others	40.80	36.36
Travelling and conveyance	5.77	4.92
Printing and stationery	4.06	3.62
Telephone and communication charges	-	0.01
Operating lease rent	33.68	33.10
Insurance	2.94	3.90
Rates and taxes	0.46	0.79
Legal and professional fees	14.83	7.96
Payment to auditors (Refer note 23 (a))	6.00	6.00
Security charges	7.67	5.96
Changes in expected credit loss in receivables	-	2.48
Bank charges and commission	7.17	7.65
Selling and distribution expenses	1.11	1.75
Foreign exchange fluctuations	2.36	13.68
Donations	-	2.09
Miscellaneous expenses	12.64	10.77
Total	**255.97**	**238.74**

23(a): Details of payments to auditors

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
As statutory auditors		
-Statutory audit fee	6.00	6.00
Total payment to auditors	**6.00**	**6.00**

23(b): Income tax expense

i) Income tax expense/(benefit) recognised in the statement of profit and loss

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Current tax		
Current tax on profits for the year	-	-
Income tax relating to prior years	-	-
Total current tax expense	-	-
Deferred tax		
Decrease/(increase) in deferred tax assets	30.12	(71.39)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense / (credit)	**30.12**	**(71.39)**
Total	**30.12**	**(71.39)**

ii) Income tax expense/(benefit) recognised directly in the equity

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Tax effect on remeasurements of post-employment benefit obligations	0.27	0.91

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

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Profit/(loss) before tax expense	68.24	(285.58)
Income tax rate	25.17%	25.17%
Income tax expense	**17.17**	**(71.87)**
Tax effects on amounts which are not deductible in calculating taxable income	12.95	0.48
Income tax recognised in statement of profit and loss	**30.12**	**(71.39)**

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Note 24: Finance cost

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on borrowings	71.51	158.47
Other finance charges*	62.79	66.80
Total	**134.30**	**225.27**

*Other finance charges include commission on corporate guarantee provided by holding company amounting to Rs. 51.45 (March 2024: Rs. 56.36)

Net debt reconciliation

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash and cash equivalents	0.20	0.05
Current borrowings	(493.77)	(1,076.79)
Total	**(493.57)**	**(1,076.74)**

Particulars	Assets	Liabilities	Total
	Cash and cash equivalents	Current borrowings	
Net debt as at April 01, 2023	**0.26**	**(1,659.77)**	**(1,659.51)**
Cash flows (Net)	(0.21)	582.98	582.77
Net debt as at March 31, 2024	**0.05**	**(1,076.79)**	**(1,076.74)**
Cash flows (Net)	0.15	583.02	583.17
Net debt as at March 31, 2025	**0.20**	**(493.77)**	**(493.57)**

Note 25: Earnings per share

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit after tax	38.12	(214.19)
Basic:		
Weighted average number of equity shares	**4,976,000**	**4,976,000**
Earnings per share (Rs.)	0.77	(4.30)
Diluted earnings per share (Rs.)	0.77	(4.30)

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 with whom transactions have taken place during current and/or previous year:

Name of the related party	Nature of relationship
Astra Microwave Products Limited	Holding company
Janyu Technologies Private Limited	Associate of holding company

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, 2025	As at March 31, 2024
Astra Microwave Products Limited	Advance received for supply of materials/ services	7.46	-
	Trade receivables	-	485.60
	Trade payables	23.53	-
	Value of corporate guarantee received for borrowings	3,500.00	4,300.00
Janyu Technologies Private Limited	Outstanding amount receivable against sale of goods	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, 2025	Year ended March 31, 2024
Astra Microwave Products Limited	Sale of products/services	1,530.28	4,387.54
	Job work services received	2.80	2.47
	Advance received	625.00	4,427.53
	Advance adjusted	617.54	4,643.55
	Corporate guarantee expense	51.45	56.36
	Payment on behalf of company	60.83	66.26
	Rent paid	33.10	33.10

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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 is Rs. 41.24 (March 2024: Rs. 38.98)

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 is Rs. 0.90 and (March 2024: Rs. 1.39) and also refer note 20.

c) Defined benefit plan:
Gratuity
The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Defined benefit plan – as per actuarial valuation for the year ended March 31, 2025
i. Expense recognised in the statement of profit and loss:

Particulars	Gratuity	
	Year ended March 31, 2025	Year ended March 31, 2024
1. Current service cost	10.11	7.84
2. Interest cost (net)	2.39	2.06
Total expense recognised in P&L	**12.50**	**9.90**

ii. Amount recognised in other comprehensive income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1. Actuarial loss on account of :		
- Financial Assumptions	0.35	0.36
- Experience Adjustments	0.74	3.26
Total expense recognised in OCI	**1.09**	**3.62**

iii. Net liability/(asset) recognised in the balance sheet as at March 31, 2025

Particulars	As at March 31, 2025	As at March 31, 2024
1. Present value of defined benefit obligation as at March 31	44.91	34.68
2. Current portion of the above	8.45	5.77
3. Non current portion of the above	36.46	28.91

iv. Changes in obligation during the year

Particulars	As at March 31, 2025	As at March 31, 2024
A. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	34.68	33.53
2. Expenses recognised in profit and loss account		
- Current service cost	10.11	7.84
- Past service cost		
- Interest expense/(income)	2.39	2.06
3. Recognised in other comprehensive income		
- Actuarial gain/(loss) arising from:		
i. Demographic assumptions	-	-
ii. Financial assumptions	0.35	0.36
iii. Experience adjustments	0.74	3.26
4. Benefit payments	(3.36)	(12.37)
Present value of defined benefit obligation at the end of the year	**44.91**	**34.68**

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The key assumptions used in accounting for gratuity are as below

v. Actuarial assumptions	As at March 31, 2025	As at March 31, 2024
1. Interest rate/Discount rate	7.03%	7.24%
2. Rate of increase in compensation	6.00%	6.00%
3. Attrition rate	25.00%	25.00%

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, 2025	As at March 31, 2024
Discount rate (If changed by 1%)		
Increase	43.26	33.41
Decrease	46.69	36.06
Salary escalation rate (If changed by 1%)		
Increase	46.94	36.25
Decrease	42.99	33.21
Attrition rate (If changed by 1%)		
Increase	44.75	34.53
Decrease	45.07	34.83

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, 2025	As at March 31, 2024
Weighted average duration of DBO	5.00	5.00
Expected benefit payments		
Year 1	8.46	5.77
Year 2	7.71	6.94
Year 3	7.43	5.64
Year 4	6.64	5.65
Year 5	5.77	4.41
Beyond 5 years	25.81	19.81

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.

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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 company's revenue and results from continuing operations by

Particulars	Segment Revenue	
	Year ended March 31, 2025	Year ended March 31, 2024
In India	2,041.90	4,846.44
Outside India*	-	-
Total	**2,041.90**	**4,846.44**

b. Geographical segment assets

Particulars	As at March 31, 2025	As at March 31, 2024
Segment assets		
India	446.78	155.80
Outside India	-	-
Total	**446.78**	**155.80**

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, 2025, amounting to Rs. 1,530.28 as against one customer for the year ended March 31, 2024 amounting to Rs. 4,387.54

Note 29: Assets pledged as security

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

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Property, plant and equipment	139.39	154.62
Capital work-in-progress	307.39	-
Total non-current assets pledged as security (A)	**446.78**	**154.62**
Current		
Financial assets		
Trade receivables	181.10	736.30
Non-financial assets		
Inventories	703.02	894.60
Total current assets pledged as security (B)	**884.12**	**1,630.90**
Total assets pledged as security ((A) + (B))	**1,330.90**	**1,785.52**

Note 30: Commitments and contingent liabilities

The company does not have any significant capital commitments as on the reporting date. Also the company has given certain performance guarantees amounting to Rs. 1,097.12 (March 2024: 1,135.43) which is not included in contingent liabilities.

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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, 2025 were as follows:

Particulars	Fair value hierarchy	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory		
Assets:						
Non-current						
(a) Other financial assets	3	4.79	-	-	4.79	4.79
Current						
Financial assets						
(a) Trade receivables	3	181.10	-	-	181.10	181.10
(b) Cash and cash equivalents		0.20	-	-	0.20	0.20
(c) Other bank balances		127.23	-	-	127.23	127.23
(d) Other financial assets	3	19.55	-	-	19.55	19.55
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	3	493.77	-	-	493.77	493.77
(b) Trade payables	3	102.29	-	-	102.29	102.29
(c) Other financial liabilities	3	132.53	-	-	132.53	132.53

The carrying value and fair value of financial instruments by categories as of March 31, 2024 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	3	131.24	-	-	131.24	131.24
Current						
Financial assets						
(a) Trade receivables	3	736.30	-	-	736.30	736.30
(b) Cash and cash equivalents		0.05	-	-	0.05	0.05
(c) Other bank balances		0.74	-	-	0.74	0.74
(d) Other financial assets	3	10.96	-	-	10.96	10.96
Liabilities:						
Current						
Financial liabilities						
(a) Borrowings	3	1,076.79	-	-	1,076.79	1,076.79
(b) Trade payables	3	95.71	-	-	95.71	95.71
(c) Other financial liabilities	3	80.26	-	-	80.26	80.26

Fair value of instruments is classified in various fair value hierarchies based on the following three levels:
Fair value hierarchy
Level 1 - The fair value of financial instruments traded in active markets is based on the quoted market prices at the end of the reporting period. These instruments are included in level 1.

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.

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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 a low 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. 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 March 31, 2025 and March 31, 2024 was determined as follows for trade receivables under the simplified approach:

As at March 31, 2025	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	180.70	1.59	0.66	4.49	187.44
Expected credit losses	1.81	0.01	0.03	4.49	6.34
Carrying amount of trade receivables (net of impairment)	**178.89**	**1.58**	**0.63**	-	**181.10**

As at March 31, 2024	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	739.88	-	-	4.49	744.37
Expected credit losses	7.40	-	-	0.67	8.07
Carrying amount of trade receivables (net of impairment)	**732.48**	-	-	**3.82**	**736.30**

Expected loss rate

Age bucket	Default percentage
Less than 6 months	1%
6 months to 1 year	1%
1 year to 2 years	5%
Above 2 years	100%

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, 2025	As at March 31, 2024
Cash and cash equivalents	0.20	0.05
Other bank balances	127.23	0.74
Other financial assets	24.34	142.20
Less: Expected credit loss	-	-
	151.77	142.99

Movement in expected credit loss

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	8.07	5.59
Add: provided/(reversed) during the year	(1.73)	2.48
Net re-measurement of expected credit loss	**6.34**	**8.07**

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, 2025	As at March 31, 2024
Trade receivables	181.10	736.30
Cash and cash equivalents	0.20	0.05
Other bank balances	127.23	0.74
Other financial assets	24.34	142.20

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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, 2025, the expected cash flows from financial assets is Rs. 181.10 (As at March 31, 2024: Rs.736.30).

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, 2025	As at March 31, 2024
Expiring within one year (bank overdraft and other facilities)	1,006.23	1,223.21

(ii) Maturities of Financial Liabilities
March 31, 2025

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	493.77	-	-	493.77
Trade payables	102.29	-	-	102.29
Other financial liabilities	132.53	-	-	132.53
Total	**728.59**	-	-	**728.59**

March 31, 2024

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings	1,076.79	-	-	1,076.79
Trade payables	95.71	-	-	95.71
Other financial liabilities	80.26	-	-	80.26
Total	**1,252.76**	-	-	**1,252.76**

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, 2025 and March 31, 2024.
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, 2025 and March 31, 2024.

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 and JPY 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, 2025		As at March 31, 2024	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Amounts Payable	USD	0.17	14.56	0.31	25.47
	JPY	2.92	1.68	-	-

Sensitivity analysis:
A reasonably possible strengthening (weakening) of the USD or JPY, 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	
	Strengthening of foreign currency	Weakening of foreign currency
March 31, 2025 (5% change)		
USD	(0.73)	0.73
JPY	(0.08)	0.08
March 31, 2024 (5% change)		
USD	(1.27)	1.27
JPY	-	-

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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	
	March 31, 2025	March 31, 2024
Change in interest rate		
-increase by 50 basis points	(2.47)	(5.38)
-decrease by 50 basis points	2.47	5.38

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, 2025, 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, 2025	As at March 31, 2024
Borrowings		
Current borrowings	493.77	1,076.79
Cash and cash equivalents	(0.20)	(0.05)
Net Debt	**493.57**	**1,076.74**
Equity		
Equity share capital	497.60	497.60
Other equity	282.35	193.60
Total capital	**779.95**	**691.20**
Net debt to equity ratio	63%	156%

The net debt to equity ratio for the current year decreased from 156% to 62 % as a result of repayment of the borrowings, which resulted in decrease in the net debt at the end of the year.

i) Loan covenants
Under the terms of the cash credit facility, the company is required to comply with the following financial covenants:
a) Total net worth must be more than Rs. 851.7
b) Interest coverage ratio must be more than 2
c) Current ratio must be more than 1.5
d) Total outside liabilities/Total net worth must not be more than 3
The company has not complied with point (a) and (c) stated above. Due to the breach of the financial covenant as stated in point (a) above, the management of the company has to either infuse additional capital or unsecured loan to the extent of deterioration of total net worth below 851.7. The company has neither infused any additional capital nor any unsecured loan. The bank has not requested the repayment of cash credit facility as of the date when these financial statements were approved by the board of directors. Management is in the process of renegotiating the terms of the loan agreement with the bank.

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. 33.10 (refer note 26)
d) Cash outflow	The lease rent paid is Rs. 33.10.

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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 ended	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, 2024	HDFC Bank	2,300	Inventories and Trade receivables	Inventories: 783.83	Inventories: 782.5	Inventories: (1.33)	On account of purchases recorded due to Goods in Transit in books of accounts.
				Trade receivables: 404.35	Trade Receivables: 235.11	Trade Receivables: (169.24)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.
September 30, 2024	HDFC Bank	2,300	Inventories and Trade receivables	Inventories: 801.71	Inventories: 803.08	Inventories: 1.37	On account of considering the provision for net realisable value in the books of accounts.
				Trade receivables: 416.86	Trade Receivables: 300.75	Trade Receivables: (116.11)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.
December 31, 2024	HDFC Bank	2,300	Inventories and Trade receivables	Inventories: 737.52	Inventories: 737.48	Inventories: (0.04)	On account of purchases recorded due to Goods in Transit in books of accounts.
				Trade receivables: 155.3	Trade Receivables: 96.63	Trade Receivables: (58.67)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.
March 31, 2025	HDFC Bank	1,500	Inventories and Trade receivables	Inventories: 703.02	Inventories: 706.12	Inventories: 3.1	On account of considering the provision for net realisable value in the books of accounts.
				Trade receivables: 187.44	Trade Receivables: 160.94	Trade Receivables: (26.5)	Basis the terms and conditions of the facility availed by the company, the company is reporting only trade receivables which are outstanding for less than 90 days in the quarterly statements.

(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 property, plant and equipment, 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.

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(xiv) Analytical Ratios

S.No.	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reason for variance of above 25%
a	Current ratio (no of times)	Total current assets	Total current liabilities	1.38	1.24	11.29%	Variance is below 25%
b	Debt-equity ratio (no of times)	Borrowings	Total equity	0.63	1.56	-59.59%	Variance is primarily on account of decrease in borrowings in the current year and increase in equity for the current year.
c	Debt service coverage ratio (no of times)	Earnings available for debt service	Debt service	0.26	(0.01)	-2700.03%	Variance is primarily on account of decrease in borrowings in the current year and also increase in the Earnings available for debt service.
d	Return on equity (%)	Profit after tax	Average shareholders equity	5.18%	-27.76%	-118.66%	The variance is primarily due to a change in the sales mix, which resulted in an increase in profit despite a decrease in overall sales During the current year.
e	Inventory turnover ratio (no of times)	Revenue from sale of products	Average inventory	0.62	2.87	-78.40%	The variance is primarily due to a change in the sales mix, which resulted in an increase in profit despite a decrease in overall sales during the current year.
f	Trade receivables turnover ratio (no of times)	Total Revenue from operations	Closing trade receivables	11.27	6.58	71.28%	Variance is primarily on account of decrease in trade receivables in current year.
g	Trade payables turnover ratio (no of times)	Total purchases	Closing trade payables	4.41	26.39	-83.29%	Variance is primarily on account of decrease in purchases during the current year.
h	Net capital turnover ratio (no of times)	Total Revenue from operations	Average working capital	6.45	10.82	-40.48%	Variance is primarily on account of decrease in total revenue from operations.
i	Net profit ratio (%)	Profit after tax	Total revenue from operations	1.87%	-4.42%	-142.21%	The variance is primarily due to a change in the sales mix, which resulted in an increase in profit despite a decrease in overall sales during the current year.
j	Return on capital employed (%)	Earnings before interest and taxes	Average capital employed	9.19%	-5.94%	-254.69%	Variance is primarily on account of increase in profit and decrease in borrowings and finance cost during current year .
k	Return on investment (%)	Earnings before interest and taxes	Closing of total assets	8.64%	-5.97%	-244.70%	Variance is primarily on account of increase in profit and decrease in borrowings and finance cost during current year .

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.

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36 Summary of other 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 36.1: 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 36.2: 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.

Note 36.3: 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.

Note 36.4: 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 36.5: Leases

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, without a purchase option.

Note 36.6: 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 36.7: 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 36.8: Inventories:

Raw materials, 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. 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 36.9: 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 and derecognition

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. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

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iii) Measurement

At initial recognition, the company measures a financial asset (excluding trade receivables which do not contain a significant financing component) 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.

v) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

vi) Income recognition

Interest income

Interest income 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 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 36.10: 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 36.11: Property, plant and equipment

The company's accounting policy for property, plant and equipment is explained in Note 1.1. 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.

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 36.12 : 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 36.13 : 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 36.14 : Provisions 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.

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Note 36.15: 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 payable to employees 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 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. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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 interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. 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.

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 36.16: 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.

(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 36.17: 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 37: Going Concern
As of March 31, 2025, the company had accumulated losses and has incurred losses during the previous year. Also, the company has not complied with certain loan covenants as disclosed in note 33(i). Notwithstanding the above factors, the management is confident that it will be able to meet its cash flow requirements for the next 12 months from date of this financial statements. Hence the financial statements have been prepared on a going concern basis. Key factors considered by the management and Board of directors of the company for arriving at such conclusion are as follows:
i) Astra Microwave Products Limited, the holding company, has provided a letter of support.
ii) Approved business plan with an expected order book on hand and future cash flow projections from the same.

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

Pranav Kumar Evani
Partner
Membership Number: 515171

Place: Hyderabad
Date: May 21, 2025

For and on behalf of the Board of Directors

R. Narasimhan
Director
DIN : 06662112

T. Anjaneyulu
Director
DIN : 06650624

Place: Hyderabad
Date: May 21, 2025