



Avana Electrosystems Pvt.Ltd.

(An ISO 9001-2015 Company)

BOARD'S REPORT

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 13th Annual Report together with the Audited Statement of Accounts of **Avana Electrosystems Private Limited** (hereinafter referred to as the "**Company**") for the year ended March 31st, 2023.

Financial Summary/Highlights/Results

The summarized Audited results of your Company and are given in the table below.

(All amounts in Thousands except as otherwise stated)

| Particulars | Financial Year ended | |
|---|----------------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| Income from operation | 2,84,065 | 2,04,265 |
| Other Income | 1,786 | 3,591 |
| Total Income | 2,85,851 | 2,07,856 |
| Total Operating Expenditure | 2,74,661 | 2,01,288 |
| Profit (Loss) Before Tax and Depreciation | 11,189 | 6,568 |
| Depreciation | 1,216 | 1,125 |
| Profit (Loss) Before Tax | 9,974 | 5,443 |
| Provision for Taxes | 3,110 | 1,661 |
| Deferred Taxes | (619) | (178) |
| Net Profit(Loss) After Tax | 7,482 | 3,961 |
| Basic and Diluted Earnings Per Share (Amount in INR Actual) | 9.42 | 4.99 |



Company's performance

The Company's revenue from operation for the year is Rs.2,84,065/- (Amounts in Thousands) as against previous year of Rs.2,04,265/- (Amounts in Thousands). Profit after taxes (PAT) is Rs.7,482/- (Amounts in Thousands) as against previous year Profit of Rs.3,961/- (Amounts in Thousands).

Web Link for Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended, an annual return has been disclosed on the website of the Company under the web-link: <https://www.avanaelectrosystems.com/>

Number of Board meetings held

The Board Meets at regular intervals to discuss and decide on business activities of the Company and devise business policy and strategy. The meetings of the Board are convened as and when required after issuing notices to all the Directors well in advance, as per the provisions of the Act. The maximum interval between any two meetings did not exceed 120 days. The Board met 4 times in the Financial Year as per following dates 28/06/2022, 02/09/2022, 29/11/2022 and 16/01/2023.

The details of the General Meeting convened during the financial year are as follows:

30/09/2022- Annual General Meeting;

Directors' Responsibility Statement

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that proper explanation has been provided therein relating to material departures from the Accounting Standards, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the Annual Accounts on a going concern basis; and
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Independent Directors and their declaration

As your Company is a private limited company, it is not required to appoint independent Director(s) including receipt of a declaration from them as per the provisions of the Companies Act, 2013 read with rules made there under.

Committees of the Board

Your Company, being a private limited company, is not required to constitute an Audit Committee and a Nomination and Remuneration Committee under the provisions of Section 177 and Section 178 of the Companies Act, 2013 respectively read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

Fixed Deposits

The Company did not accept any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Statutory Auditors

At the Annual General Meeting held on 30th September, 2019 M/s. Vasanth & Co., Chartered Accountants (Firm Registration No.008204S) were appointed as Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the financial year 2023-2024. The Company has received a certificate from the Auditors confirmed that they are not disqualified from continuing as Auditors of the Company and their appointment shall within the provisions of Section 141 of the Companies Act, 2013.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Particulars of loans, Guarantees or investments

All the necessary details about loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Related party transactions

The related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

The particulars of transactions entered during the year with related parties in the ordinary course of business and on arm's length basis are enclosed as **Annexure 1** to this report.

Reserves

The Company does not intend to carry any amount to reserve.

Dividend

In order to conserve the internal financial resources, Board did not recommend any dividend.

Material changes and commitments after the financial year end

There are no material changes/commitments which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report and which would affect the financial position of the company.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

The details of the conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are given hereunder:

| (a) Conservation of energy | | |
|-----------------------------------|---|--|
| (i) | the steps taken or impact on conservation of energy | Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, use of energy efficient systems and laptops, improvement in |

| | | |
|----------------------------------|---|---|
| | | maintenance and distribution systems and through improved operational techniques. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy | The nature of the industry, location of offices and quantum of energy utilised by the company does not make it economically viable for utilizing alternate sources of energy. |
| (iii) | the capital investment on energy conservation equipments | The company incurs capital investment for setting up of its offices and purchase of equipment including purchase of systems, laptops, lighting sets etc., and equipment with energy conservation features are preferred by the Company. |
| (b) Technology absorption | | |
| (i) | the efforts made towards technology absorption | The software Development Activity is carried out with the usage of very high end software, hardware and the company always uses latest available technology in development of software. |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | The Company is using high end software for the development of the products and updated technology for cost reductions. |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - | Not applicable |
| | (a) the details of technology imported | |
| | (b) the year of import; | |
| | (c) whether the technology been fully absorbed | |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | |
| (iv) | the expenditure incurred on Research | NIL |

| | | |
|--|--|-----|
| | and Development | |
| (c) Foreign exchange earnings and Outgo | | |
| (i) | Foreign Exchange earned in terms of actual inflows during the year | Nil |
| (ii) | Foreign Exchange outgo during the year in terms of actual outflows | Nil |

Risk Management Policy

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor the business and non-business risks. The Board periodically reviews the risks and Suggest steps to be taken to manage/ mitigate the same through a properly defined policy framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may impact on the business objectives of the Company.

Corporate Social Responsibility Committee (CSR)

In terms of section 135 read with rules made thereunder and Schedule VII of the Companies Act, 2013, your Company did not meet the criteria of net profit or net worth or turnover during the year ended on March 31, 2023 and thus was not required to constitute Corporate Social Responsibility Committee of the Board of Directors.

Directors

During the year, there were no other changes in composition of the Board of Directors of your Company. As on the date of this report, the Board of your company consists of the following individuals:



- Mr. Panish Anantharamaiah
- Mr.Sreenath Kondahalli Nagaraj
- Mr. Gururaj Dambal
- Mr.Vinod Kumar Sampatkumar

Key Managerial Personnel

Your Company being a private company is not required to appoint any other Key Managerial Personnel as prescribed under Section 203 of the Companies Act, 2013 read with rules made there under.

Subsidiary Companies

As on March 31, 2023, your Company does not have a subsidiary company.

Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits covered under this Chapter

Significant and material orders passed by the regulators

During the year under review, there were no material orders passed against your Company by any regulator(s) or court(s) or tribunal(s) impacting the going concern status and company's operations.

Internal financial controls

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Internal Control Systems provide reasonable assurance for:

- Safeguarding Assets and their usage;
- Maintenance of Proper Accounting Records; and
- Adequacy and Reliability of the information used for carrying on Business Operations.

Some of the key elements of the Internal Control Systems are as follows:

- Existence of Authority Manuals and periodical updating of the same for all Functions;
- Existence of clearly defined organizational structure and authority;
- Existence of corporate policies for Financial Reporting and Accounting;
- Existence of Management information system;
- Annual Budgets and Long Term Business Plans;
- Internal Audit System; and
- Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

Internal Audit

In terms of provisions of section 138 of the Companies Act, 2013 read with rule 13 (1) of the Companies (Accounts) Rules, 2014, your Company did not meet the criteria as specified under the rule referred to above to appoint an Internal Auditor. Hence, your Company did not appoint an Internal Auditor.

Secretarial Audit

In terms of provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company did not meet the criteria as specified under the rule referred to above to appoint a Secretarial Auditor. Hence, your Company did not appoint a Secretarial Auditor.

Compliance with Secretarial Standards

Your Company has complied with the Secretarial Standards issued by the respective authority.



Share Capital

1. Authorized share capital:

As on the 31/03/2023 the authorized share capital of the Company is Rs.90,00,000/- (Amount in INR Actual). There is no increase in the authorized share capital during the year.

2. Paid up share capital:

As on the 31/03/2023 the paid up share capital of the Company is Rs.79,40,640/- (Amount in INR Actual). During the year there was no change in the paid up share capital of the Company.

Awards and Recognition

The Company did not receive any award and recognitions during the financial year under review.

Details of frauds reported by Auditors

There were no frauds reported by Auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

Statement containing salient features of financial statements of subsidiaries

As there were no subsidiaries on March 31, 2023, the statement containing the salient features of the financial statements of your Company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the provisions of sub-section (3) of section 129 of the Act is not applicable to your Company.



Particulars of Employees

During the year, there were no employees who, if employed throughout the financial year, were in receipt of remuneration in aggregate of not less than Rs.1.02 Crore p. a. or if employed for a part of the financial year, were in receipt of remuneration in aggregate of not less than Rs.8.5 Lakhs p. m. Hence, your Company is not required to disclose particulars of employees under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Compliance with Sexual Harassment law

The Company has zero tolerance for sexual harassment at workplace as mandated in the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Acknowledgement

Your Directors wish to place on record their appreciation for the Co-operation and support received from employees at all levels, who have contributed to the growth and performance of your Company.

Your directors are also thankful to the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.



Avana Electrosystems Pvt.Ltd.

(An ISO 9001-2015 Company)

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

By Order of the Board for
Avana Electrosystems Private Limited

Place: Bengaluru
Date: 02/09/2023

Panish Anantharamaiah
Director
DIN: 00288112
Address: #776, Flat No. T2,
Thirumala Pride
Apartments, 11th Main,
Vinayaka Layout,
Nagarabhavi 2nd Stage,
Bengaluru 560072

Kondahalli Nagaraj Sreenath
Director
DIN: 03099421
Address: No.676
Dhikshitharagalli, Magdi Taluk
Magadi Town Ramanagar 562120

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)


Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

| | | |
|-----|---|---|
| 1. | Details of contracts or arrangements or transactions not at arm's length basis | |
| (a) | Name(s) of the related party and nature of relationship | There were no contracts or arrangements or transactions entered into with a related party which were not at arm's length basis. |
| (b) | Nature of contracts/arrangements/transactions | As above |
| (c) | Duration of the contracts / arrangements/transactions | As above |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | As above |
| (e) | Justification for entering into such contracts or arrangements or transactions | As above |
| (f) | date(s) of approval by the Board | As above |
| (g) | Amount paid as advances, if any: | As above |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | As above |
| 2. | Details of material contracts or arrangement or transactions at arm's length basis | |
| (a) | Name(s) of the related party and nature of relationship | There were no contracts or arrangements or transactions entered into with a related party which were at arm's length basis. |
| (b) | Nature of contracts/arrangements/transactions | As above |
| (c) | Duration of the contracts / arrangements/transactions | As above |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | As above |
| (e) | Date(s) of approval by the Board, if any: | As above |
| (f) | Amount paid as advances, if any: | NIL |

For and on behalf of the Board
Avana Electrosystems Private Limited

Place: Bengaluru
Date: 02/09/2023


Panish Anantharamaiah
Director
DIN:00288112
Address: #776, Flat No. T2,
Thirumala Pride
Apartments, 11th Main,
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Nagarabhavi 2nd Stage,
Bengaluru - 560072


Kondahalli Nagaraj Sreenath
Director
DIN: 03099421
Address: No.676
Dhikshitharagalli, Magdi Taluk
Magadi Town Ramanagar -
562120



Vasanth & Co.,

Chartered Accountants

Partners:

J. Vasanth Kumar, B.Com., F.C.A., L.L.B.,

N. Amarnath, B.Com., F.C.A.,

D.R. Vijanth Kumar, B.Com., F.C.A., Reg. Valuer (SFA)

INDEPENDENT AUDITOR'S REPORT

To the Members of Avana Electrosystems Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Avana Electrosystems Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended on that date and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 on the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are 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.

Management's and Board of Director's Responsibility and Those charged with Governance for Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.





Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 read with notification No.464 (E) dated 5th June, 2015 along with amended notification dated 13th June, 2017 issued by MCA, the company is exempted from reporting requirement of expressing opinion on whether the company has adequate internal financial controls system 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 in the financial statements made by management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are





based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

Report on Other Legal and Regulatory Requirements

1. 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 enclose in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable
2. (A) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, and the 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act





- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the same is not applicable to the company vide notification No.464 (E) dated 5th June, 2015 read with amended notification dated 13th June 2017 issued by MCA; and
- (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31st March, 2023.
- (B) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company does not have any pending litigations which would impact its financial position.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d)
- (i) The management has represented that, to the best of it's knowledge and belief, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (ii) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or





Vasanth & Co.,

Chartered Accountants

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
and

(iii) Based on such audit procedures performed that have been 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 (d) (i) and (d) (ii) contain any material misstatement .

e) The Company has neither declared nor paid any dividend during the year and therefore, compliance under section 123 is not commented upon.

f) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

for Vasanth & Co.,
Chartered Accountants
Firm Reg.No.008204S

N. Amarnath

Partner

M.No.510064

ICAI UDIN: 23510064BGVUOJ1045



Place: Bangalore

Date: 02-09-2023



Annexure - A Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of the Auditors Report issued in terms of Section 143(11) of The Companies Act, 2013:

i.

a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations, the title deeds of all the immovable properties are held in the name of the company and (It holds property as a lessee and the lease agreements are duly executed in favour of the Company).

d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year. Therefore, provisions of Clause 3(i)(d) of the Order are not applicable to the Company.

e) According to the information given to us, there were no proceedings initiated or are pending against the Company as on 31st March, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Therefore, provisions of Clause 3(i)(e) of the Order are not applicable to the Company.

ii.

a) According to the information and explanations given to us, the inventory has been physically verified by the management during the year and in our opinion, the coverage and frequency of the inventory verification is reasonable and no material discrepancies 10% or more in aggregate for each class of inventory have been noticed during such physical verification of inventories when compared with the books of accounts.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the





basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause (v) of the Order is not applicable.
- vi. According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the services provided it. Accordingly, clause (vi) of the Order is not applicable.
- vii. a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. As explained to us, the Company did not have any dues of Customs, Provident fund, Employee's State Insurance.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.





- b) According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no disputed statutory dues in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income tax, cess and any other statutory dues; which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.
- a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institution or Government.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) According to the information and explanations given to us by the management, the Company has obtained short term loans during the year and the company has applied the loans for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the company had not utilized funds raised for short term basis for long term purposes.
- e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x.
- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination





Vasanth & Co.,

Chartered Accountants

of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi.

a) Based on examination of the books and records of the company and according to the information and explanations given to us by the management, no fraud by the Company or on the Company has been noticed or reported during the course of audit.

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, Clause 3 (xii) of the Order is not applicable.

xiii. In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable, and the requisite details have been disclosed in the Financial Statements as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under section 177 of the act.

xiv. In our opinion and based on our examination, the Company is not required to have internal audit system commensurate with the size and the nature of its business. Accordingly, the provisions of Clause 3 (xiv) (a) and (b) of the Order are not applicable to the Company.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected to its directors. Accordingly, Clause 3 (xv) of the Order is not applicable.

xvi.

a) In our Opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3 (xvi) (a) & (b) of the Order are not applicable to the Company.





Vasanth & Co.,

Chartered Accountants

- b) In our opinion, either the Company or there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) & (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and 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 and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not fall under the provisions of Sec 135 of the Companies Act, 2013. Accordingly, clause 3(xx)(a) & 3(xx)(b) of the Order are not applicable.

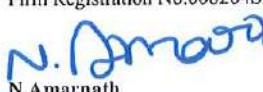




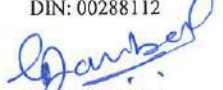
for Vasanth & Co.,
Chartered Accountants
Firm Reg.No.008204S

N. Amarnath
N. Amarnath
Partner
M.No.510064
ICAI UDIN: 23510064BGVUOJ1045



Place: Bangalore
Date: 02-09-2023

AVANA ELECTROSYSTEMS PRIVATE LIMITED
(All amounts in '000 , except as otherwise stated)
Balance Sheet As At 31st March, 2023

| Particulars | Note | As At 31st March, 2023 | As At 31st March, 2022 |
|--|------|--|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| (a) Share Capital | 2 | 7,941 | 7,941 |
| (b) Reserves and Surplus | 3 | 84,949 | 77,466 |
| Non-Current Liabilities | | | |
| (a) Long-term borrowings | 4 | 23,709 | 501 |
| Current Liabilities | | | |
| (a) Short Term Borrowing | 5 | 38,545 | 41,644 |
| (b) Trade payables | 6 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | | |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 57,565 | 29,567 |
| (c) Other current liabilities | 7 | 44,478 | 25,419 |
| (d) Short-term provisions | 8 | 28,016 | 17,985 |
| Total | | 2,85,203 | 2,00,521 |
| II ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment & Intangible assets | 9 | | |
| (i) Property, Plant and Equipment | | 19,801 | 19,686 |
| (ii) Intangible assets | | 282 | 236 |
| (b) Deferred Tax Asset (net) | 10 | 2,482 | 1,863 |
| (c) Other Non Current Assets | 11 | 2,980 | 2,980 |
| Current assets | | | |
| (a) Inventories | 12 | 77,029 | 54,102 |
| (b) Trade receivables | 13 | 1,11,556 | 69,506 |
| (c) Cash and cash equivalents | 14 | 31,014 | 22,975 |
| (d) Short-term loans and advances | 15 | 35,764 | 23,779 |
| (e) Other Current Assets | 16 | 4,297 | 5,395 |
| | | 2,85,203 | 2,00,521 |
| Significant accounting policies | | | |
| 1 | | | |
| The notes referred to above form an integral part of the financial statements. | | | |
| In terms of our report attached for Vasanth & Co., Chartered Accountants Firm Registration No:008204S | | For and on behalf of the Board of Directors of Avana Electrosystems Private Limited | |
|  N. Amarnath Partner Membership No:510064 | |  K.N.Sreenath Director DIN: 03099421 | |
|  | |  A. Panish Director DIN: 00288112 | |
| Place: Bengaluru Date:02-09-2023 | |  Vinod Kumar .S Director DIN: 03115822 | |
| | |  Gururaj Dambal Director DIN: 03099402 | |

AVANA ELECTROSYSTEMS PRIVATE LIMITED

(All amounts in '000 , except as otherwise stated)

Statement of Profit and Loss for the Year Ended 31st March, 2023

| Particulars | Note | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|-----------------|--|--|
| I. Revenue from operations | 17 | 2,84,065 | 2,04,265 |
| II. Other Income | 18 | 1,786 | 3,591 |
| III. Total Revenue (I +II) | | 2,85,851 | 2,07,856 |
| IV. Expenses: | | | |
| Cost of materials consumed | 19 | 1,83,575 | 1,08,039 |
| Manufacturing expenses | 20 | 42,358 | 32,732 |
| Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade | 21 | (21,761) | 11,339 |
| Employee benefits expense | 22 | 21,833 | 22,219 |
| Finance costs | 23 | 8,029 | 4,705 |
| Depreciation and Amortisation Expense | 9 | 1,216 | 1,125 |
| Other Expenses | 24 | 40,628 | 22,253 |
| Total Expenses | | 2,75,877 | 2,02,413 |
| V. Profit before exceptional and extraordinary items and tax: (III - IV) | | 9,974 | 5,443 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 9,974 | 5,443 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before Tax (VII-VIII) | | 9,974 | 5,443 |
| X. Tax expense: | | | |
| (1) Current tax | | 3,110 | 1,661 |
| (2) Current tax expense relating to prior years | | | |
| (3) Deferred tax | | (619) | (178) |
| VII. Profit for the year | (V - VI) | 7,482 | 3,961 |
| VIII. Profit/ (Loss) Carried forward to Balance Sheet | | 7,482 | 3,961 |
| (i) Earning per share (EPS) | | | |
| (1) Basic - Rs. | | 9.42 | 4.99 |
| (b) Diluted- Rs. | | 9.42 | 4.99 |

Significant accounting policies

The notes referred to above form an integral part of the financial statements.

In terms of our report attached

for **Vasanth & Co.,**

Chartered Accountants

Firm Reg No: 008204S

N. Amarnath

Partner

Membership No:510064

Place: Bengaluru

Date:02-09-2023



For and on behalf of the Board of Directors
of Avana Electrosystems Private Limited

K.N.Sreenath
Director

DIN: 03099421

Vinod Kumar .S

Director

DIN: 03115822

A. Panish
Director

DIN: 00288112

Gururaj Dambal

Director

DIN: 03099402

AVANA ELECTROSYSTEMS PRIVATE LIMITED

(All amounts in '000 , except as otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|--|--|
| A. Cash flow from operating activities | | |
| Net profit before tax for the year. | 9,974 | 5,443 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/Amortisation | 1,216 | 1,125 |
| | | 1,125 |
| Operating (loss) / profit before working capital changes | 11,189 | 6,568 |
| Movement in working capital | | |
| Decrease / (Increase) in Current Assets | (75,863) | (37,397) |
| Increase / (Decrease) in Current liabilities | 53,990 | 33,102 |
| Cash generated from operations | (10,683) | 2,273 |
| Provision for Taxation | (3,110) | (1,661) |
| Net Cash from operating activities (A) | (13,794) | 612 |
| B. Cash flows from investing activities | | |
| Purchase of Fixed Assets | (1,376) | (374) |
| Net cash used in investing activities (B) | (1,376) | (374) |
| C. Cash flows from financing activities | | |
| Increase in Long term borrowings | 23,208 | (5,223) |
| Buyback of shares | | (1,677) |
| Net cash flow (used) in financing activities (C) | 23,208 | (6,900) |
| Net increase / (Decrease) in cash & cash equivalents (A + B + C) | 8,039 | (6,662) |
| Cash and cash equivalents at the beginning of the year | 22,975 | 29,637 |
| Cash and Cash Equivalents at the end of the year | 31,014 | 22,975 |
| Components of Cash and Cash Equivalents as at March 31 | | |
| Cash on hand | 113 | 106 |
| Balances with scheduled banks | | |
| - In current accounts | | 774 |
| Balances with Banks- held as margin money | 30,900 | 22,094 |
| In deposit accounts | | |
| Total cash and cash equivalents | 31,014 | 22,975 |

Note:

1. The above Cash Flow has been prepared using the "Indirect Method" as set out in Accounting Standard 3 - 'Cash Flow Statements'

In terms of our report attached

For Vasanth & Co.,

Chartered Accountants

Firm Reg No: 008204S

N. Amarnath

Partner

Membership No: 510064


 For and on behalf of the Board of Directors
of Avana Electrosystems Private Limited

K.N. Sreenath

Director

DIN : 03099421

Vinod Kumar .S

Director

DIN: 03115822

A. Panish

Director

DIN : 00288112

Gururaj Dambal

Director

DIN: 03099402

Place: Bengaluru

Date: 02-09-2023

Avana Electrosystems Private Limited
Notes Forming Part of the Financial Statements
(All amounts in Rs. Thousands, except as otherwise stated.)

Note 2: Share capital

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Number of shares | Amount (in '000') | Number of shares | Amount (in '000') |
| (a) Authorised - Equity shares of Rs.10/- each with Voting rights C.V | 9,00,000 | 9,000 | 9,00,000 | 9,000 |
| (b) Issued Subscribed and fully Paid up - Equity Shares of Rs.10/- each with voting rights | 7,94,064 | 7,941 | 7,94,064 | 7,941 |
| Total | 7,94,064 | 7,941 | 7,94,064 | 7,941 |

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh Issue of shares | Rights Issue | Bonus Issue | Buy back/ Conversion/ Redemption | Closing Balance |
|---|-----------------|-----------------------|--------------|-------------|----------------------------------|-----------------|
| <u>Equity shares with voting rights</u> | | | | | | |
| Year ended 31 March, 2022 | | | | | | |
| - Number of shares | 7,94,064 | - | - | - | - | 7,94,064 |
| - Amount | 7,941 | - | - | - | - | 7,941 |
| <u>Equity shares with voting rights</u> | | | | | | |
| Year ended 31 March, 2023 | | | | | | |
| - Number of shares | 7,94,064 | - | - | - | - | 7,94,064 |
| - Amount | 7,941 | - | - | - | - | 7,941 |

Rights Preferences and restrictions on various classes of shares

(a) The Company has equity shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential allotment, if any. The distribution will be in proportion to the number of equity shares.

(b) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Particulars | Equity shares with voting rights | Equity shares with differential voting rights | Compulsorily convertible preference shares | Optionally convertible preference shares | Redeemable preference shares |
|------------------------|----------------------------------|---|--|--|------------------------------|
| | Number of shares | Number of shares | Number of shares | Number of shares | Number of shares |
| As at 31st March, 2022 | Nil | Nil | Nil | Nil | Nil |
| As at 31st March, 2023 | Nil | Nil | Nil | Nil | Nil |

(iv) Details of shares held by each shareholder holding more than 5% shares:

a. Equity shares with voting rights

| Class of shares / Name of shareholder | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Kondahalli Nagaraj Sreenath | 1,96,891 | 24.80% | 1,96,891 | 24.80% |
| Panish Anantharamaiah | 1,96,891 | 24.80% | 1,96,891 | 24.80% |
| Gururaj Dambal | 1,96,891 | 24.80% | 1,96,891 | 24.80% |
| Vinod Kumar Sampathkumar | 1,83,391 | 23.10% | 1,83,391 | 23.10% |

(v) Details of shares held by promoters

| Class of shares / Name of shareholder | As at 31 March, 2023 | | As at 31 March, 2022 | | % change during the |
|--|-----------------------|-----------------------------------|-----------------------|----------------------------|---------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of | |
| <u>Equity shares with voting rights:</u> | | | | | |
| Kondahalli Nagaraj Sreenath | 1,96,891 | 24.80% | 1,96,891 | 24.80% | 0.00% |
| Panish Anantharamaiah | 1,96,891 | 24.80% | 1,96,891 | 24.80% | 0.00% |
| Gururaj Dambal | 1,96,891 | 24.80% | 1,96,891 | 24.80% | 0.00% |
| Vinod Kumar Sampathkumar | 1,83,391 | 23.10% | 1,83,391 | 23.10% | 0.00% |



AVANA ELECTROSYSTEMS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in '000, except as otherwise stated)

| Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
|---|---------------------------|---------------------------|
| Note : 3 Reserve & Surplus | | |
| General Reserve | | |
| Balance brought forward from Previous Year | 1,114 | 1,114 |
| Less: Transfer to Capital redemption Reserve Account | | |
| | 1,114 | 1,114 |
| Surplus from Statement of Profit and Loss | | |
| Balance brought forward from Previous Year | 75,493 | 73,209 |
| Add : Profit for the year carried from Profit and loss | 7,482 | 3,961 |
| Less: Buyback of Equity Shares | | 0 |
| Less: Taxes paid for the Buyback of Equity Shares in FY 2020-21 | | -1,677 |
| Closing Balance | 82,976 | 75,493 |
| Capital Redemption Reserve | 859 | 859 |
| Closing balance of Reserves and Surplus | 84,949 | 77,466 |
| Note : 4 Long-Term Borrowings | | |
| Term Loans from | | |
| i) Banks Secured (Refer Note Below) | 0 | 2,461 |
| Less : Current Maturities of long term debt | 0 | 2,460 |
| | 0 | 1 |
| ii) Unsecured Loan | 34,774 | 5,364 |
| Less : Current Maturities of the Long term Loan | 11,065 | 5,364 |
| | 23,709 | 0 |
| Karnataka State Financial Corporation(secured)(*) | | |
| (*) Secured by mortgage of lease hold rights of Industrial land bearing Plot No. 121 & 122, avverahalli, KIADB Industrial area, Nelamangala, Bir rural Personal guarantees of all Directors | | |
| iii) Unsecured Loan From Key Managerial Personnel | 0 | 500 |
| Less : Current Maturities of the Long term Loan | 0 | 0 |
| | 0 | 500 |
| | 23,709 | 501 |
| Note : 5 Short-Term Borrowings | | |
| Loan Repayable on Demand | | |
| From Banks- Secured | | |
| Cash Credit Facility from State Bank of India | 0 | 21,844 |
| Cash Credit Facility from HDFC bank | 24,009 | 19,799 |
| (Secured on Hypothecation of Trade Receivable & Inventories and Collateral Security of Immovable Property of the Company) | | |
| Term Loans from | | |
| i) Banks Secured | 2,085 | 0 |
| Unsecured Loan | 12,450 | 0 |
| | 38,545 | 41,644 |



AVANA ELECTROSYSTEMS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in '000, except as otherwise stated)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---------------------------|---------------------------|
| Note : 6 Trade Payable | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| (a) Trade Payable - Raw Material | 54,494 | 28,498 |
| (b) Trade Payable - Others | 3,071 | 1,069 |
| | 57,565 | 29,567 |

Trade payables ageing schedule for the year ended as on March 31, 2023:

| Particulars | Unbilled Dues | Not Due | Less than One Year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|---------------|---------|-----------------------|-----------|-----------|----------------------|--------|
| Outstanding dues to MSME | - | - | - | - | - | - | - |
| (previous year) | - | - | - | - | - | - | - |
| Others | - | - | 45,045 | 12,520 | - | - | 57,565 |
| (previous year) | - | - | 29,567 | - | - | - | 29,567 |
| Disputed dues – MSME | - | - | - | - | - | - | - |
| (previous year) | - | - | - | - | - | - | - |
| Disputed dues – Others | - | - | - | - | - | - | - |
| (previous year) | - | - | - | - | - | - | - |

Note : 7 Other Current Liabilities

| | | |
|---|---------------|---------------|
| (a). Current Maturities of Long - Term Debt | 11,065 | 7,824 |
| (b). Advances Received from Customers | 24,761 | 8,198 |
| Statutory remittances | | |
| TDS Payable | 24 | 373 |
| GST Payable | 1,865 | 2,530 |
| ESIC Payable | 30 | 38 |
| PF Payable | 555 | 512 |
| TCS Payable | 7 | 21 |
| PT Payable | 19 | 17 |
| (d). Outstanding Liabilities | 5,652 | 5,906 |
| (e). Other Payables | 500 | - |
| | 44,478 | 25,419 |

Note : 8 Short-Term Provisions

| | | |
|--|---------------|---------------|
| (a). Provision for Employee Benefits | | |
| Provision for Gratuity | 4,624 | 3,657 |
| (b). Provision - Others | | |
| Provision for Income Tax | 308 | 2,057 |
| Provision for Warranty | 17,521 | 8,171 |
| Provision for Installation & Commissioning | 5,563 | 4,100 |
| | 28,016 | 17,985 |

Note : 10 Deferred Tax Asset

| | | |
|--------------------|--------------|--------------|
| Deferred Tax Asset | 2,482 | 1,863 |
| | 2,482 | 1,863 |

Note : 11 Other Non Current Assets

| | | |
|----------------|--------------|--------------|
| Rental Deposit | 2,980 | 2,980 |
| | 2,980 | 2,980 |





AVANA ELECTROSYSTEMS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in '000 , except as otherwise stated)

| Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
|--|---------------------------|---------------------------|
| Note : 17 Sales | | |
| Sales (inter,local sale and service charges) | | |
| Inter State Sales | 2,47,289 | 1,70,049 |
| Local Sales | 35,577 | 33,748 |
| Service Charges | 1,198 | 468 |
| | 2,84,065 | 2,04,265 |
| Note : 18 Other Incomes | | |
| Refund Received From VAT | - | 1,153 |
| Interest on Term Deposits | 61 | 1,513 |
| Bad Debts Received | 60 | 924 |
| Miscellaneous income | 1,665 | - |
| | 1,786 | 3,591 |
| Note : 19 Cost of Materials Consumed | | |
| A) Raw Material Consumed | | |
| Opening Stock | 46,444 | 21,236 |
| Purchases of Raw Materials and Consumables | 1,84,740 | 1,33,247 |
| | 2,31,185 | 1,54,483 |
| Less : Closing Stock | 47,610 | 46,444 |
| Raw Material Consumed | 1,83,575 | 1,08,039 |
| Note : 21 A) Changes In Inventories of Work in Progress | | |
| Closing Finished Goods | | |
| Closing WIP | 29,419 | 7,658 |
| Less: Opening Finished Goods | | |
| Less: Opening WIP | 7,658 | 18,997 |
| (Increase)/ Decrease in Inventory | (21,761) | 11,339 |
| Note : 20 Manufacturing Expenses | | |
| Wages & Salaries | 27,677 | 20,442 |
| Labour Charges | 6,249 | 4,707 |
| Factory Rent | 4,958 | 4,676 |
| Security Service Charges | 2,132 | 2,011 |
| Testing Charges | 230 | 77 |
| Power and Electricity | 385 | 361 |
| Carriage Inwards | 141 | 259 |
| Service Charges | 244 | |
| Water Charges | 253 | 189 |
| Calibration Charges | 11 | 9 |
| Custom Clearance Charges | | - |
| Annual Maintenance Charges | 80 | |
| | 42,358 | 32,732 |



AVANA ELECTROSYSTEMS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in '000 , except as otherwise stated)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|--|---------------------------|---------------------------|
| Note : 22 Employees Remuneration & Benefits | | |
| Salary & Wages - Staff | 17,070 | 17,626 |
| Wages and salaries manufacturing | | |
| Bonus | 1,650 | 1,549 |
| Group Insurance | 83 | 69 |
| Staff Welfare Expenses | 1,151 | 1,724 |
| Gratuity Expenses | 1,875 | 1,248 |
| Labour welfare fund | 4 | 4 |
| | 21,833 | 22,219 |
| Note : 23 Financial Cost | | |
| Bank Charges | 2,124 | 890 |
| Interest on Bank Loans | 4,853 | 3,515 |
| L C Interest & Discounting Charges | 1,013 | 299 |
| Interest on OD | 39 | |
| | 8,029 | 4,705 |
| Note : 24 Other Expenses | | |
| A) Selling & Distribution Expenses | | |
| Marketing Consultancy & Exhibition Charges | 5,083 | 2,158 |
| Clearing, Forwarding & Freight | 3,001 | 2,333 |
| Sales Promotion Expenses | 527 | 153 |
| Exhibition Expenses | 95 | |
| Advertisement Charges | | 55 |
| B) Operating, Administrative & Other Expenses | | |
| Legal & Professional Fee | 1,944 | 738 |
| Installation & Commissioning charges | 3,250 | 2,300 |
| Warranty Expenses | 9,350 | 6,681 |
| Travelling Expenses | 647 | 993 |
| Insurance | 2,405 | 1,492 |
| Liquidated Damage Charges | 1,178 | 160 |
| Rates and Taxes | 557 | 945 |
| Local Conveyance | 1,043 | 486 |
| Repairs & Maintenance | 308 | 147 |
| Office Maintenance | 953 | 179 |
| Computer Maintenance | 297 | 108 |
| Telephone Charges | 152 | 146 |
| Printing and Stationary | 285 | 161 |
| Postage and Courier | 221 | 146 |
| Pooja Expenses | 215 | 138 |
| Internet Charges | 88 | 23 |
| Miscellaneous Expenses | 360 | 3 |
| Bad debts written off | 8,168 | 2,208 |
| Payment to auditor's as | | |
| Statutory Audit fee | 350 | 350 |
| Other Matters | 150 | 150 |
| | 40,628 | 22,253 |



AVANA ELECTROSYSTEMS PRIVATE LIMITED
Note No. 9 Forming Part of the Financial Statements
Property, Plant and Equipment Schedule

| (All amounts in '000, except as otherwise stated) | | | | | | | | | |
|---|-------------------------|--------------|-----------|--------------------------|------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|
| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
| | As on 1st April 2022 | Additions | Deletions | As on 31st March 2023 | Upto 1st April 2022 | for the year on deletion | Up to 31st March 2023 | As on 31st March 2023 | As on 31st March 2022 |
| | | | | | | | | | |
| I. Property, Plant and Equipment : | | | | | | | | | |
| Land | 17,307 | 0 | 0 | 17,307 | 0 | 0 | 0 | 17,307 | 17,307 |
| Lease Hold Improvements | 196 | 0 | 0 | 196 | 196 | 0 | 196 | 0 | 0 |
| Computer | 2,904 | 52 | 0 | 2,956 | 2,691 | 119 | 2,810 | 146 | 213 |
| Office Equipments | 1,722 | 662 | 0 | 2,383 | 1,573 | 262 | 1,835 | 548 | 148 |
| Plant and Machinery | 4,442 | 124 | 0 | 4,566 | 3,207 | 464 | 3,671 | 895 | 1,235 |
| Tools | 5,208 | 393 | 0 | 5,601 | 4,877 | 169 | 5,046 | 556 | 331 |
| Furniture and Fittings | 4,017 | 0 | 0 | 4,017 | 3,565 | 103 | 3,668 | 349 | 452 |
| | 35,796 | 1,231 | 0 | 37,027 | 16,109 | 1,116 | 17,225 | 19,801 | 19,686 |
| II Intangible Assets | | | | | | | | | |
| Software | 1,811 | 143 | 0 | 1,956 | 1,575 | 99 | 1,674 | 282 | 236 |
| TOTAL | 37,607 | 1,376 | 0 | 38,983 | 17,684 | 1,216 | 18,900 | 20,083 | 19,922 |
| Previous Year | 37,233 | 374 | 0 | 37,607 | 16,560 | 1,125 | 17,685 | 19,812 | 20,672 |



Note No. 1

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION:

ACCOUNTING POLICIES:

Background:

Avana Electrosystems Private Limited ('the Company') was incorporated on 16th July 2010. The company is engaged in the business of manufacturing and dealers in various types of electronic products, switchgear products, circuit breakers, relay, control and protection panels, electric distribution boards, electronic meters, transformers, raw materials, assemblies, spares, accessories, consumables, disposables, tools, test equipments, measuring equipments, telecommunication products, satellite products, information technology products, substation, automation products, SCADA, energy saving equipments, battery charges, current transformers, power transformers, etc.

A. Basis for preparation:

1. Accounting Convention:

The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises of mandatory Accounting Standards as specified under Sec. 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

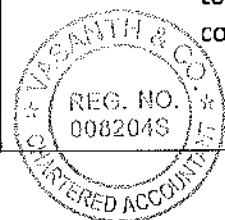
2. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates, difference between the actual results and estimates are recognised in the year in which the results are known / materialised.

B. Significant Accounting Policies:

1. Revenue Recognition:

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured. Revenue from Sale of products is recognized when the risks and rewards of ownership are passed on to the customers, generally, at the time of delivery and acceptance and after consideration of all the terms and conditions of the customer contract.



The Company reports revenues net of taxes.

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

2. Expenditure:

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities. Expenses incurred on and directly attributable to the company's manufacturing activities are charged to revenue as 'period costs'.

3. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

4. Provisions and contingent liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

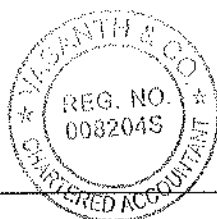
5. Property Plant and Equipment:

Property Plant and Equipment are stated at cost less depreciation. The Company capitalizes all cost relating to the acquisition and installation of fixed assets.

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1st April 2014.

Depreciation on tangible fixed assets is provided on the written down value method, based on life of assets and in the manner specified in Schedule II to the Companies Act, 2013 and individual assets acquired for a value less than (or) equal to Rs.5,000/- are not capitalized.

The useful lives of assets and the manner specified in Schedule II to the Companies Act, 2013 is as per the table below:



| Asset Description | No. of Years |
|---------------------------|--------------|
| Computers and Accessories | 3 |
| Plant & Machinery | 15 |
| Furniture & Fixtures | 10 |
| Office Equipment | 5 |
| Tools | 5 |
| Leasehold Improvements | 3 |

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

6. Impairment of Assets:

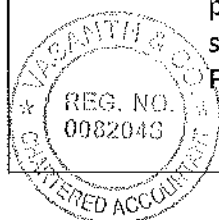
The Company assess at each Balance Sheet date whether there is any indication that any of the assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognized in the profit and loss account. As on the Balance Sheet date the Company assessed for impairment of assets and found no indication of impairment of assets as per Accounting Standard (AS-28).

7. Effects of changes in Foreign Exchange rates:

- Foreign currency transactions of Income and Expense during the year are recorded at the rate prevailing on the date of transaction.
- Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Profit and Loss account.
- Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except those arising from investments in non-integral operations.

8. Leases:

Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment at the inception of the lease term. These are disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.



9. Cash and cash equivalents:

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

10. Income Taxes:

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Minimum alternate tax (MAT) paid in accordance with tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The Company offsets, on a year-on-year basis, the current tax assets and liabilities where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

11. Employee Benefits:

a. Defined –contribution plans

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to the Employees' Provident Fund, Superannuation Fund and Certain State plans like Employees' State Insurance and Employees' Pension Scheme. Presently the company provides for Employees' Provident Fund, Pension Scheme and Employees' State Insurance. The company does not provide for Superannuation benefits. The company's payments to the defined contribution plans recognized as expense during the period in which the employees perform the services that the payment covers.



b. Defined-benefit plans:

Gratuity: In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. A provision has been created by the company against the future liability.

12. Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or productivity of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

13. Valuation of Inventories:

Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. "Cost" means standard weighted average cost exclusive of all statutory levies but inclusive of transit insurance, wherever applicable.

- a. Raw materials and component inventories (excluding non-standard, non-moving and obsolete items) are valued at lower of cost and net realizable value.
- b. Finished goods and Semi-Finished goods are valued at cost or net realizable value, whichever is lower.

14. Related Party Disclosures:

Transactions between related parties are disclosed as per Accounting Standard 18, "Related Party Disclosures". Accordingly disclosures regarding the name of the transacting related party, description of the relationship between the parties, nature of transactions and the amount outstanding as at the end of the accounting year, are made.

15. Product Warranty:

Provisions for warranty-related costs are recognized on estimated basis when the product is sold or service provided to the customer. Initial recognition is based on historical experience of the product / services failures as well as current information of repair costs. The initial estimate of warranty-related costs is revised annually.

Product warranty expenses are provided on an estimated basis. The management estimate of the provision amount is primarily based on historical experience of the product/service failures as well as current information of repair costs.



16. Earnings Per Share:

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

17. Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables, loans and advances, and other current assets, the Company has considered internal and external information up to the date of approval of the financial statements including credit reports and economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of the assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of the financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



25. Additional Information to the financial Statements

1. Secured Loans:

a) National Small Industries Corporation LTD

The Company has availed Credit limit of Rs. 2,500/- (In 000's) from The National Small Industries Corporation LTD on 04-10-2021 sanctioned with following terms and conditions:

i. Period of assistance: 180 Days

The above assistance will be repayable by you within a period of 180 days. In case of failure to repay the entire amount with 180 days on monthly rest basis. NSIC May consider extending the period for repayment at your request subject to payment of normal interest and additional interest @ 1.25% per Quarter for delayed Payment.

ii. Rate of Interest: 9.00% Pa

The Interest @ 9.00% PA on Monthly rest basis will be levied on the assistance amount up to maximum period of assistance of 180 days for any outstanding dues which is more than 180 days additional interest will be charged @ 1.25 % Per Quarter (cycle of 90 Days) or as applicable for time to time on the amount advanced .

iii. Security:

Bank guarantee equivalent to the value of limit sanctioned from any nationalized Bank approved bank of NSIC on the prescribed format.

2. Unsecured Loans

a. The company has availed Term loan of Rs. 7,500/- (In 000's) from Standard Chartered Bank. In the previous year it newly took loan amounting to Rs. 10,000/- (In 000's) with following terms and conditions:

Rate of Interest:

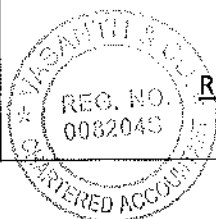
The rate of interest is @ 16.00 % p.a.

Repayment Schedule:

Term loan should be repaid in 36 Monthly installments, commencing from the 10th Sep, 2022 and is payable on 10th of every month, Outstanding liability as on 31st March 2023 is Rs .8,410/- (In 000's).

b. The company has availed Business loan of Rs. 5,100/- (In 000's) from Unity Small Finance Bank during the year with following terms and conditions:

Rate of Interest:



The rate of interest is @ 18.5 % p.a.

Repayment Schedule:

The Business loan should be repaid in 36 monthly installments, commencing from April, 2023 and is payable on the 4th of every month, Outstanding liability as on 31st March 2023 is Rs. 5100/- (In 000's)

- c. The company has availed Term loan of Rs. 4,000/- (In 000's) from Kotak Mahindra Bank in the previous year with following terms and conditions:

Rate of Interest:

The rate of interest is @ 18.33 % p.a.

Repayment Schedule:

Term loan should be repaid in 36 Monthly installments, commencing from the 1st April 2023 and is payable on 1st of every month, Outstanding liability as on 31st March 2023 is Rs. 4,000/- (In 000's).

- d. The company has availed Term loan of Rs. 4,025/- (In 000's) from Fullerton India Credit. Co. Ltd. in the previous year with following terms and conditions:

Rate of Interest:

The rate of interest is @ 17 % p.a.

Repayment Schedule:

Term loan should be repaid in 36 Monthly installments, commencing from the 4th April 2023 and is payable on 4th of every month, Outstanding liability as on 31st March 2023 is Rs. 4,025/- (In 000's).

- e. The company has availed Term loan of Rs. 4,000 /- (In 000's) from Deutsche Bank in the previous year with following terms and conditions:

Rate of Interest:

The rate of interest is @ 18.00 % p.a.

Repayment Schedule:

Term loan should be repaid in 36 Monthly installments, commencing from the 5th April 2023 and is payable on 5th of every month, Outstanding liability as on 31st March 2023 is Rs. 4,000/- (In 000's).

- f. The company has availed Term loan of Rs. 4,000 /- (In 000's) from Clix Capital Service Pvt. Ltd. in the previous year with following terms and conditions:



Rate of Interest:

The rate of interest is @ 18.00 % p.a.

Repayment Schedule:

Term loan should be repaid in 36 Monthly installments, commencing from the 2nd April 2023 and is payable on 2nd of every month, Outstanding liability as on 31st March 2023 is Rs. 3,996/- (In 000's).

- g. The company has availed Term loan of Rs. 5,000 /- (In 000's) from Axis Bank Ltd. in the previous year with following terms and conditions:

Rate of Interest:

The rate of interest is @ 16.5 % p.a.

Repayment Schedule:

Term loan should be repaid in 36 Monthly installments, commencing from the 20th March 2023 and is payable on 20th of every month, Outstanding liability as on 31st March 2023 is Rs. 4,792/- (In 000's).

Working Capital:

Working capital facility is secured by charge on receivables and inventory. The company is having the facility of

| S.no | Credit facility | 2022-23 Amount Rs. (In Thousands) | 2021-22 Amount Rs. (In Thousands) |
|------|---------------------|---|---|
| 1 | BANK GUARANTEE | 40,000 | 30,000 |
| 2 | LETTER OF CREDIT | 41,000 | 30,000 |
| | Total Limits | 50,000 | 30,000 |

The above facilities are further secured by personal guarantee of Directors and collateral of immovable property of the Company. The Letter of credit is further secured by Lien on term deposits with State Bank of India.



3. Related Party Transactions:

List of Related Parties:

| Name | Relationship |
|-----------------------------|-----------------|
| Panish Anantharamaiah | Director |
| Kondahalli Nagaraj Sreenath | Director |
| Gururaj Dambal | Director |
| Vinod Kumar S | Director |
| Smitha Dambal | Relative of KMP |
| Nithya V | Relative of KMP |
| G Usha | Relative of KMP |
| Rama S | Relative of KMP |

The details of transactions, for the years ended March 31, 2023 and March 31, 2022 are as follows:

| Name | Value INR(000) | |
|-------------------------------------|--|---------|
| | Year Ended 31 st March 2023 | 2022 |
| Director Remuneration: | | |
| Chandrasena Kudur Srinivasa Rao | Nil | Nil |
| Panish Anantharamaiah | 4,238/- | 4,354/- |
| Kondahalli Nagaraj Sreenath | 2,124/- | 2,426/- |
| Gururaj Dambal | 2,846/- | 3,020/- |
| Vinod Kumar S | 2,124/- | 2,483/- |
| | | |
| Relatives of Directors: | | |
| Professional Fee: | | |
| Smitha Dambal | 1,305/- | 315/- |
| G Usha | 1,305/- | 270/- |
| Rama S | 1,305/- | 315/- |
| Nithya V | 1,350/- | 270/- |
| | | |
| Loan Received From Directors | | |
| Panish Anantharamaiah | Nil | 500/- |
| | | |

4. Auditor's Remuneration:

| Particulars | Value INR (000) | |
|-----------------|--------------------------|--------------|
| | Year Ended March 31 2023 | 2022 |
| Statutory Audit | 250/- | 250/- |
| Tax Audit | 125/- | 125/- |
| Other Services | 125/- | 125/- |
| Total | 500/- | 500/- |



5. Contingent Liabilities:

| Particulars | March'2023 | March'2022 |
|--|------------------------|------------|
| | Value In Rs. Thousands | |
| Contingent Liabilities: Outstanding guarantees and Counter Guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others : | | |
| i. Bank Guarantees given for the same against the fixed deposit with Bank | 48,282/- | 20,305/- |
| ii. Letter of Credit | 12,611/- | Nil |

6. Employee Benefits: [AS-15]**Defined Contribution Plans**

Disclosures required under Accounting Standard 15 (Employee Benefits) (Revised 2005). The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Contributions towards the Provident Fund recognized in the Statement of Profit and Loss for the year are as under:

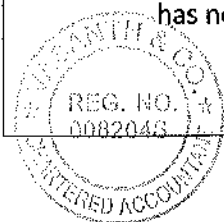
| Defined Contribution Plan | Value INR(000) | |
|--------------------------------|----------------|-----------|
| | 2022-2023 | 2021-2022 |
| Provident Fund | 2,918/- | 2,592/- |
| Employee State Insurance (ESI) | 326/- | 299/- |
| Gratuity | 1,875/- | 1,248/- |

7. Taxation

Provision for Current income tax liability of Rs.308/- (In 000's) (PY: Rs.1,661/- (In 000's)) has been made by the Company.

8. Events occurring after the date of Balance Sheet:

There are no material Events occurring after the date of Balance Sheet. Hence the same has not been taken into cognizance.



9. Activity in Foreign Currency:

| Particulars | Value INR(000) | |
|--|-----------------------------|-------|
| | Year Ended March 31 2023 | 2022 |
| Earnings in Foreign Currency | | |
| Sales – FOB value of Exports | Nil | Nil |
| Expenditure in Foreign Currency | | |
| Import of Raw Materials – CIF value of Imports | Nil | 596/- |
| | | |

10. In the opinion of the management, Current Assets, Loans and Advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.

11. Operating Lease:

The Company has entered into operating leases for office and assets. There are escalation clauses of 5-6% in certain lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. Gross Rental expenses from operating leases recognized in the Profit and Loss Account for the year ended March 31, 2023 is Rs. 4,958/- (In 000's) (PY: Rs. 4,676/- (In 000's)).

12. **Disclosures under Section 22 of the Micro, Small and Medium Enterprises The** Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th August, 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 (the Act). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from any supplier as at the balance sheet date.



Avana Electrosystems Private Limited

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|--|---------------------|---------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | NIL | NIL |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | NIL | NIL |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | NIL | NIL |
| (iv) The amount of interest due and payable for the year | NIL | NIL |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | NIL | NIL |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | NIL | NIL |
| Total | NIL | NIL |

Note: The above is as per information and records maintained by the company and relied upon by the auditors.

13. Computation of Earnings Per Equity Share [EPS] as required by AS-20 :

| Particulars | Value'INR(000) | |
|-----------------------------------|----------------|------------|
| | 2022-2023 | 2021-2022 |
| Net Profit for the Year | 7482/- | 3,961/- |
| Weighted average number of shares | 7,94,064/- | 7,94,064/- |
| Earnings per Share – Basic | 9.42/- | 4.99/- |
| Earnings per Share – Diluted | 9.42/- | 4.99/- |
| Face value per equity share | 10 | 10 |



14. Warranty Provision :

| Particulars | Value'INR(000) | |
|--|----------------|-----------|
| | 2022-2023 | 2021-2022 |
| Opening Balance | 8,171/- | 1,489/- |
| Add: Additions During the year | 9,350/- | 8,171/- |
| Less:- Amount paid/ Adjusted during the year | - | (1,489)/- |
| Closing Balance | 17,521/- | 8,171/- |

15. Installation & Commissioning Provision :

| Particulars | Value'INR(000) | |
|--|----------------|-----------|
| | 2022-2023 | 2021-2022 |
| Opening Balance | 4,100/- | 1,800/- |
| Add: Additions During the year | 3,250/- | 4,100/- |
| Less:- Amount paid/ Adjusted during the year | (1,787)/- | (1,800)/- |
| Closing Balance | 5,563/- | 4,100/- |

16. Details of Crypto Currency or Virtual Currency:

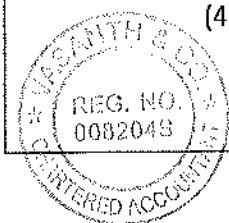
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

17. Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has to be formed by the company as per the Act. The funds should be utilized in the year on activities which are specified in Schedule VII of the Companies Act, 2013. The company does not fall under the requirements of the Companies Act, 2013 regarding Corporate Social Responsibility Expenditure as it has a turnover of less than Rs.1,000 Cr, net worth of less than Rs.500 Cr and a Net Profit of less than Rs.5 Cr, and hence, the same is not applicable.

18. Benami Transactions

There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



19. Company Struck off

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

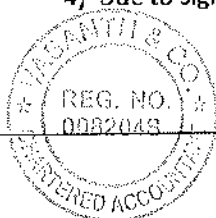
20. Undisclosed Income

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

21. The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

| The following are analytical ratios for the year ended March 31, 2023 | | | | | |
|---|---|---|----------------|----------------|----------|
| Particulars | Numerator | Denominator | March 31, 2023 | March 31, 2022 | Variance |
| (a) Current ratio | Current assets | Current liabilities | 1.54 | 1.53 | 0% |
| (b) Debt-equity ratio | Total Debt | Shareholder's Equity | 0.53 | 0.49 | 9% |
| (c) Debt service coverage ratio | Earnings available for debt service | Debt Service | 0.29 | 0.24 | 20% |
| (d) Return on equity ratio | Net Profits after taxes | Average Shareholder's Equity | 0.08 | 0.05 | 78% |
| (e) Inventory turnover ratio | Sales | Average Inventory | 4.33 | 4.33 | 0% |
| (f) Trade receivables turnover ratio | Net Credit Sales | Avg. Accounts Receivable | 1.57 | 3.55 | -56% |
| (g) Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 4.24 | 4.58 | -7% |
| (h) Net capital turnover ratio | Net Sales | Working Capital | 3.12 | 3.34 | -7% |
| (i) Net profit ratio | Net Profit | Net Sales | 0.04 | 0.03 | 32% |
| (j) Return on capital employed | Earning before interest and taxes | Capital Employed | 0.15 | 0.12 | 31% |
| (k) Return on investment on Quoted Instruments | Difference of Market value at the end and beginning of the period | Market Value at the beginning of the Year | NA | NA | |

- 1) Due to significant increase in Short term borrowings, Debt equity ratio has increased
- 2) Due to significant increase in Net Profits, Return on Equity ratio has increased
- 3) Due to significant increase in Trade Payables, Trade Payable Turnover ratio has decreased
- 4) Due to significant increase Trade receivables, Net Capital Turnover ratio has decreased



22. Legal Proceedings

The Company is not subject to any legal proceedings or claims during its ordinary course of business. Hence, there are no material or adverse effect on the Company's results

23. Previous year figures are regrouped and reclassified wherever necessary to make it more meaningful and comparable.

In Terms of our report attached
for Vasanth & Co.,
Chartered Accountants
Reg.No.008204S

N. Amarnath
Partner
M. No. 510064



for and on behalf of the Board
of Avana Electrosystems Private Limited

A. Panish
Director
DIN: 00288112

Vinod Kumar .S
Director
DIN: 03115822

K.N. Sreenath
Director
DIN: 03099421

Gururaj Dambal
Director
DIN: 03099402

Place: Bangalore
Date: 02-09-2023