

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Kaynes Technology India Private Limited
23-25, Belagola Food Industrial Estate, Metagalli P.O.
Mysore – 570 016

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s. Kaynes Technology India Private Limited (“the Company”), which comprise the balance Sheet as at March 31st 2021, Profit and Loss statement and cash flow statement for the year then ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read with the notes thereon 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 Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 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 (SA) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor’s Report thereon (Other Information)

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 therein, we are required to report that fact. We have read and considered Board of Directors' report and have nothing to report in this regard.

Management's Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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, we are also responsible for expressing our 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A", statement on the matters specified in Paragraphs 3 and 4 of the said Order to the extent applicable.
2. 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 appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial control with reference to financials statements of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B" to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Since Section 197 of the Act is not applicable to the Company being a private limited company, the reporting required as per Section 197(16) is not applicable; and

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- h) With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the details of pending litigations in note 27 to the standalone financial statements, the impact if any on the final settlement of these litigations is not ascertainable at this stage;
 - ii. The company has made provisions, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For VARMA & VARMA
Chartered Accountants
FRN 004532S



CHERIAN K. BABY
Partner
M.No.16043

UDIN: 21016043AAAAAX6856

Place: Bangalore

Date : 24/10/2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in paragraph I under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the financial statements of M/s Keynes Technology India Private Limited for the year ended 31st March, 2021

- (i) In respect of the Company's fixed assets (comprising of property, plant and equipment and other intangible assets)
- (a) On the basis of our examination of the records, in our opinion, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that most of the fixed assets of the company have been physically verified by the management during an earlier financial year based on a fixed asset verification programme laid down by the management. However, the company has not carried out physical verification of fixed assets during the year. In our opinion the coverage needs to be improved having regard to the size of the company and the nature of the assets.
- (c) The title deeds of immovable properties owned by the Company are presently lodged with the bankers as security for loans availed and are explained to be held in the name of the Company. In respect of immovable properties of that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company. In one case, the title deeds are yet to be executed as disclosed in Note no.11(i) a to the financial statements.
- (ii) We are informed that the inventories of raw materials, finished goods and stores and spares (excluding inventory with third parties at the year end) have been physically verified by the management at reasonable intervals, the frequency of which in our opinion is reasonable, having regard to the size of the company and the nature of its business. Material discrepancies noticed on physical verification if any have been properly dealt with in the books of account by the management.
- (iii) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has granted loan to parties covered in the register maintained under section 189 of the Act. We are of the opinion that the terms and conditions of loans granted by the company to these parties covered in the register maintained under section 189 of the Companies Act, 2013, are not prejudicial to the interests of the company.

Schedule of repayment of principal and payment of interest has been stipulated but varied during the year. There is no overdue amount remaining outstanding at the balance sheet date. Current accounts of the whole-time directors are not considered as loans for this purpose.

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- (iv) According to the information and explanations given to us and based on the audit procedures conducted by us in respect of loans, investments and guarantees, provisions of section 185 and 186 of "the act" have been complied with to the extent applicable.
- (v) The Company has not accepted deposits in accordance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company. Hence the provision of clause 3(v) of the Order are not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the Company in respect of its products pursuant to Rules made by the Central Government of India, for the maintenance of cost records as prescribed under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii)
- (a) According to the information and explanation given to us, and as per our verification of the records of the Company, the Company is fairly regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Custom, Cess and any other statutory dues with the appropriate authorities. Delays were noticed in payment of statutory dues.
- As at the end of the year, there are no arrears of undisputed statutory dues of a material nature outstanding for a period of more than six months from the date on which they became payable although small amounts were outstanding due to error/omission as under:

Name of the statute	Nature of the Due	Period to which amount relates	Amount in Rupees
Employee Provident Funds and Miscellaneous Provisions Act, 1952	Contribution to Provident Fund	2020-2021	4,12,600
		2019-2020	3,55,998
Employee State Insurance, 1948	Contribution to ESI	2020-2021	1,14,016
		2019-2020	4,393

- (b) According to the information and explanations given to us there are no unpaid disputed dues of Income tax, Value Added Tax, Service tax, GST, duty of customs, duty of excise or Sales Tax as on 31st March, 2021 except for the following:

Name of the statute/ Nature of dues	Amount in Rupees	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	17,36,670	A.Y. 2016-17 [F.Y. 2015-16]	CIT Appeal
Income Tax Act, 1961	60,51,826	A.Y. 2017-18 [F.Y. 2016-17]	CPC
Income Tax Act, 1961	1,29,75,492	A.Y. 2018-19 [F.Y. 2017-18]	National e-assessment center.
Income Tax Act, 1961	37,96,466	A.Y. 2021-22 [F.Y. 2020-21]	TDS Reconciliation and correction enabling system of IT department

- (viii) According to the information and explanations given to us and on the basis of our verification of the records of the company, the company has not defaulted in repayment of material dues to the bank or financial institutions. There were no overdues as at 31st March, 2021. Company has not availed any loan from the Government. There is no default in repayment of debentures during the year.
- (ix) As a private company the question on public offer of shares is not applicable to the Company. According to the information and explanation given to us and as per the verification of the records of the Company, the term loans obtained during the year has been applied for the purpose for which the loans were obtained.
- (x) According to the information and explanation given to us and the records of the Company examined by us, no frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company, hence the provisions of section 197 of the Companies act, 2013 are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 188 of the Act where applicable since according to the management these transactions have been undertaken on arm's length basis in the ordinary course of business and details of such

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transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. As explained, provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has allotted equity shares and compulsorily convertible cumulative participating preference shares on preferential basis during the year and requirement of provisions of section 42 of the Companies Act, 2013 have been complied with to the extent applicable. As informed to us, funds raised by the company on issue of equity shares and preference shares as mentioned above have been used for the purposes for which the funds were raised. As informed to us, the company has not issued fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- (xvi) The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S



CHERIAN K. BABY
Partner
M.No.16043

Place: Bangalore
Date : 24/10/2021

UDIN: 21016043AAAAAX6856

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure B referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the financial statements of M/s Kaynes Technology India Private Limited for the year ended 31st March, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s **Kaynes Technology India Private Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by Institute of Chartered Accounts of India (ICAI). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting as detailed in note no.30 to the Standalone financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company including basis of allocating expenses to various projects considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VARMA & VARMA
Chartered Accountants
FRN 004532S



CHERIAN K. BABY
Partner
M.No.16043

Place: Bangalore
Date: 24/10/2021

UDIN: 21016043AAAAX6856

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT

Particulars	Note	31.03.2021 (₹)	31.03.2020 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,87,99,920	6,79,99,920
(b) Reserves and Surplus	3	1,32,27,76,380	98,09,74,885
		<u>1,40,15,76,300</u>	<u>1,04,89,74,805</u>
(2) Non-Current Liabilities			
(a) Long term Borrowings	4	16,76,86,854	9,79,56,114
(b) Deferred tax liabilities (Net)	5	6,15,38,218	8,40,10,917
(c) Long term provisions	6	3,03,55,863	2,55,23,564
		<u>25,95,80,935</u>	<u>20,74,90,595</u>
(3) Current Liabilities			
(a) Short term Borrowings	7	1,06,00,81,559	1,10,54,00,017
(b) Trade payables	8		
- Total outstanding dues of micro and small Enterprises		4,93,41,895	4,01,65,198
- Total outstanding dues of creditors other than micro and small enterprise		83,06,20,511	86,56,21,678
(c) Other Current Liabilities	9	36,37,32,618	30,95,91,690
(d) Short term provisions	10	1,48,51,019	1,89,21,763
		<u>2,31,86,27,602</u>	<u>2,33,97,00,346</u>
Total		<u>3,97,97,84,837</u>	<u>3,59,61,65,746</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		56,59,08,561	49,78,33,733
(ii) Intangible Assets		10,26,76,983	4,47,00,888
(iii) Capital Work in Progress		9,76,40,278	9,39,81,040
(b) Non Current Investments	12	3,12,98,162	3,12,98,162
(c) Long Term Loans and Advances	13	14,49,06,464	12,98,92,065
		<u>94,24,30,448</u>	<u>79,77,05,888</u>
(2) Current Assets			
(a) Inventories	14	1,52,52,08,508	1,43,64,37,157
(b) Trade Receivables	15	1,21,54,60,863	92,89,76,347
(c) Cash & Bank Balances	16	13,09,96,928	11,53,54,098
(d) Short term loans and advances	17	14,96,03,175	30,23,17,251
(e) Other current assets	18	1,60,84,915	1,53,75,005
		<u>3,03,73,54,389</u>	<u>2,79,84,59,858</u>
Total		<u>3,97,97,84,837</u>	<u>3,59,61,65,746</u>
Significant Accounting Policies	1		
Other Notes	27-44		

For and on behalf of the Board of Directors of
Kaynes Technology India Private Limited
CIN: U29128KA2008PTC045825

As per our report of the even date attached


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jairam P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Sridhyia
Company Secretary




Cherian K Baby
Partner
M No: 016043

Place: Mysore
Date: 24/10/2021

Place: Mysore
Date: 24/10/2021


Place: Bangalore
Date: 24/10/2021

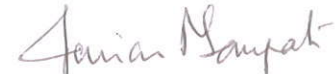
**KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED**

Particulars	Note	31.03.2021 (₹)	31.03.2020 (₹)
INCOME			
Revenue from operations	19	3,92,79,88,345	3,60,34,07,889
Other Income	20	3,88,12,665	2,07,73,271
Total		3,96,68,01,010	3,62,41,81,160
EXPENDITURE			
Cost of raw materials and components consumed	21	2,65,11,24,293	2,55,73,42,962
Changes in inventories of finished goods & work-in-progress	22	2,63,08,943	(16,86,26,482)
Employee Benefits expense	23	43,91,57,809	39,51,66,630
Finance costs	24	22,52,44,662	22,53,55,830
Research and Development Expenditure	25	1,20,82,769	1,62,45,591
Depreciation and Amortisation	11	7,25,01,558	6,33,12,008
Other Expenses	26	45,63,43,242	40,16,09,692
Total		3,88,27,63,276	3,49,04,06,231
Profit before exceptional and extraordinary items and tax		8,40,37,734	13,37,74,929
Exceptional Items		-	-
Profit before extraordinary items and tax		8,40,37,734	13,37,74,929
Extraordinary Items		-	-
Profit / (Loss) Before Tax		8,40,37,734	13,37,74,929
Tax expenses			
Current tax		3,26,00,000	2,46,00,000
Short/ (excess) provision of Income tax for earlier years		(86,91,062)	(4,72,934)
MAT Credit entitlement		-	(81,41,115)
Deferred Tax charge/ (Gain)		(2,24,72,699)	43,42,015
Profit / (Loss) after tax		8,26,01,495	11,34,46,963
Earnings Per Equity Share :	37		
-Basic Earnings Per Equity Share		12.15	16.68
-Diluted Earnings Per Equity Share		11.47	16.68
Significant Accounting Policies	1		
Other Notes	27-44		

For and on behalf of the Board of Directors of
Kaynes Technology India Private Limited
CIN: U29128KA2008PTC045825

As per our report of the even date attached


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jairam P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Srividhya
Company Secretary




Cherian K Baby
Partner
M No: 016043

Place: Mysore
Date: 24/10/2021

Place: Mysore
Date: 24/10/2021

Place: Bangalore
Date: 24/10/2021

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	31.03.2021 (₹)	31.03.2020 (₹)
[A.] CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and, exceptional items	8,40,37,734	13,37,74,929
Adjustments for :		
Depreciation and Amortisation	7,25,01,558	6,33,12,008
Interest Income	(66,43,040)	(75,25,859)
Finance costs	21,32,35,849	22,53,55,830
Interest on Income tax	1,20,08,813	55,80,650
Profit on sale of Mutual funds	-	(10,16,798)
(Profit)/ Loss on sale of fixed assets	-	(50,000)
Liabilities Written Back	(28,18,657)	-
Bad debts written off	1,67,85,734	49,40,259
Unrealised Foreign Exchange (Gain)/Loss	(92,19,809)	1,14,60,252
	29,58,50,448	30,20,56,342
Operating Profit before working capital changes	37,98,88,182	43,58,31,271
Adjustments for :		
(Increase)/ decrease in Inventories	(8,87,71,351)	(23,59,33,545)
(Increase)/ decrease in Trade Receivables	(29,40,50,441)	28,45,91,649
(Increase)/ decrease in Loans and Advances and other current assets	13,69,89,767	(10,73,50,246)
Increase/ (decrease) in Trade Payables	(2,30,05,813)	(41,64,017)
Increase/ (decrease) in Other Liabilities and Provisions	6,30,28,666	(2,13,16,498)
	(20,58,09,171)	(8,41,72,657)
Cash generated from operations	17,40,79,010	35,16,58,614
Direct taxes paid	(4,40,95,256)	(1,72,67,192)
Net Cash from/ (used in) operating activities (A)	12,99,83,755	33,43,91,422
[B.] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / CWIP	(20,22,11,719)	(18,85,34,564)
Interest Received	66,43,040	75,25,859
(Investments) / Proceeds from fixed deposits	(9,56,926)	(1,62,68,585)
Sale Proceeds/(Investment) in Mutual Funds (net)	-	54,86,598
Sale of Fixed Assets	-	50,000
Net Cash Flow from/ (used in) Investing Activities (B)	(19,65,25,605)	(19,17,40,692)
[C.] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital :		
- Equity	100	-
- Preference	1,07,99,900	-
Share Premium received :		
- Equity	2,400	-
- Preference	25,91,97,600	-
Unsecured Loans (repayment)/ receipt	40,50,575	(22,03,22,690)
Secured Loans (repayment)/ receipt	2,03,61,707	8,37,34,914
Interest paid (repayment)/ receipt	(21,31,84,529)	(22,53,55,830)
Net Cash Flow from/ (used in) Financing Activities (C)	8,12,27,753	(36,19,43,606)
Net increase/ (decrease) in Cash and Cash equivalents [A+B+C]	1,46,85,904	(21,92,92,877)



Cash and cash equivalents as at April 1, 2020

Cash and Bank Balances	9,90,85,513	31,83,78,390
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Cash and cash equivalents as at March 31, 2021

Cash and Bank Balances	11,37,71,417	9,90,85,513
	<u>1,46,85,904</u>	<u>(21,92,92,877)</u>

Reconciliation of Cash and Cash Equivalents at the end of the year :

Cash and Bank Balances as at the end of the year	13,09,96,928	11,53,54,098
Less: Deposits held with Banks	1,72,25,511	1,62,68,585
Cash and Cash Equivalents as at the end of the year	<u>11,37,71,417</u>	<u>9,90,85,513</u>

* Cash and Bank Balances includes ₹ 1,72,25,511/- (PY : ₹ 1,62,68,585/-) held in compliance with the terms of issue of secured debentures and in a special account, hence is not considered as cash and cash equivalents above. [Refer Note 16]

[Notes]

[1] The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2021 and the related Profit and Loss Statement for the year ended on that date.


[2] The above Cash Flow Statement has been prepared on indirect method in accordance with the prescription in Accounting Standard (AS) 3 on cash flow statements notified in Companies (Accounting Standards) Rules 2006.

[3] Figures in the brackets indicates cash outflow during the year.

For and on behalf of the Board of Directors of
Kaynes Technology India Private Limited
CIN: U29128KA2008PTC045825

As per our report of the even date attached


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jairam P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Srividhya
Company Secretary


Cherian K Baby
Partner
M No: 016043

Place: Mysore
Date: 24/10/2021

Place: Mysore
Date: 24/10/2021



Place: Bangalore
Date: 24/10/2021

Corporate Information:

Kaynes Technology India Private Limited (“the Company”) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in providing Electronic Design and Manufacturing Service “EDMS” solutions to suit individual customer requirements.

The Company is headquartered at Mysore and has its 11 manufacturing facilities and 2 Service Centres in India.

Significant Accounting Policies

i) Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on accrual basis. IGAAP comprises mandatory accounting standards Companies (Accounting Standards) Rules, 2006 as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act. 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.

ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Difference between the actuals/revised estimate and earlier estimates are recognized in the period in which the results are known/materialise.

iii) Cash Flow Statement

Cash Flow Statement has been prepared in accordance with AS 3 (Cash flow statements) specified under the Companies Act, 2013 using the indirect method to determine cash flows from operating activities. Cash and cash equivalents comprise of cash in hand and balance in current and deposit account which are encashable on request.

iv) Revenue Recognition

Revenue from sale of products is recognised on dispatch of goods to customers or when ready for delivery based on order terms, and excludes GST. Sales returns are recognised in the year in which the goods are returned.

Revenue from services is recognised on accrual basis on completion of the service.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “Other Income” in the Profit and Loss Statement.

Export incentives are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.



v) Fixed assets, Depreciation and Amortisation

a) Tangible assets: Property, Plant & Equipment [PPE]

Tangible Assets [Property, Plant & Equipment] are stated at cost less accumulated depreciation, impairment in value if any. Cost includes purchase price (inclusive of import duties and non-refundable purchase taxes), other costs directly attributable for bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of Property, Plant & Equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement of spares/ major inspection relating to Property, Plant & Equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and cost of the item can be measured reliably.

The grant if any received for any identified items of Property, Plant & Equipment is reduced from its cost.

b) Intangible Assets

Intangible assets acquired are separately measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Self Developed Intangible Assets are recognised at cost where the research phase is completed successfully and the aggregate value to be recovered through its use over five years after completing development phase also and is ready to put to use. The same is carried as capital work in progress until the assets is ready to put to use.

c) Depreciation/Amortisation

Depreciation on tangible assets is provided over the useful lives of the assets on a Straight Line Method (SLM) at the rates specified in schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining useful life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Depreciation on assets purchased /sold during the year is proportionately charged.

Assets acquired on finance lease are depreciated over the period of lease or its useful life, whichever is lower. Leasehold improvements are amortized over the period of lease or 3 years whichever is earlier.

Acquired Intangible Assets are amortised over a period of 5 years on a straight line basis.

Self developed intangible assets are amortized over a period of five years on straight line basis once the same completes development phase and ready to be put to use.

The appropriateness of depreciation/amortisation period and depreciation/amortisation method is reviewed by the management at each financial year end.



1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

d) Capital work in progress :

All capital expenditure for construction of fixed assets are shown as capital work in progress until completion of the project or until the asset is ready to use. These costs are capitalized to the relevant items of the fixed assets on completion or when ready to use.

Expenditure incurred during development phase of intangible assets are accumulated in intangible assets under development account. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

e) Impairment of Assets :

The company assesses, at each balance sheet date, whether there is any indication that an asset, or group of assets comprising a cash generating unit, may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 recognised in the Profit and loss statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

vi) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an identified item of Property, Plant & Equipment, the carrying amount is reduced by such government grant.

vii) Leases

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term during the lease time, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Statement on a systematic basis.

viii) Investments

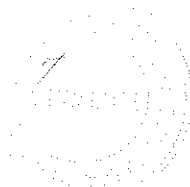
Non- current investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. Decline in value, if any, which is not considered temporary in nature, is provided for.

Current investments are carried at lower of cost or net realisable value.

ix) Employee Benefits

a. Short term employee benefits:

Liability towards short term employee benefits which is expected to occur within twelve months after the end of the period in which the employees renders the related services, comprising largely of salaries & wages, short term compensated absences and annual bonus is valued on an undiscounted basis and is charged to the Profit and Loss Statement during the period when the employee renders the services.



1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

b. Defined-contribution plans:

Contributions to the Employees' Provident Fund, Employees' Pension Scheme, Employees' State Insurance and Superannuation fund are as per statute/ company policy, as may be applicable, and are recognized as expenses during the period in which the employees perform the services.

c. Defined-benefit plans:

The company's Gratuity scheme is administered through the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation (LIC) of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

d. Other long term employee benefits:

The company has a scheme for compensated absences for employees. The liability other than for short term compensated absences is determined on the basis of actuarial valuation carried out at the end of the year using projected unit credit method. Actuarial gain and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

x) **Research & Development**

When the product or process developed is technical and commercially feasible, the product is identified as marketable and viable and the company has the intention and resources to enable the marketing of the product, the costs of relatable research and development, to the extent it could be separately identified, are capitalised. These intangible assets are amortised on a systematic basis, either by reference to the sale or use of the product or process or by reference to a reasonable time period not exceeding 5 years. Revenue expenditure incurred on research and development is charged off in the same year in which such expenditure is incurred.

xi) **Taxation**

Tax expense is accounted in accordance with the Accounting Standard for Taxes on Income (AS-22), which includes current tax and deferred tax.

Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the provisions of the Income Tax Act, 1961.

Deferred tax assets/ liability represents timing differences between accounting income and taxable income recognised to the extent considered capable of being reversed in the subsequent years. Deferred tax assets are recognised at the rates of tax expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled. These are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that Deferred tax asset arising due to unabsorbed Depreciation and losses are recognised only if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss statement and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

xii) Foreign Currency Transactions

Transactions in foreign currency are recognized at the rates of exchange which are as per the notification issued by Central Board of Excise and Customs from time to time.

All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/ losses arising there-from are adjusted to the Profit and Loss Statement. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the same on reporting date from the rates at which they were initially recognised, are reported as income or expense in the year in which they arise.

xiii) Forward exchange contracts

Forward contracts in foreign exchange are entered into by the company mainly to hedge its net foreign currency exposure arising out of highly probable forecast transactions which are not covered by AS 11 (The effect of change in foreign exchange rate) notified under Companies (Accounting Standards) Rules, 2006. Hence the company follows the guidance note on Accounting for Derivatives contracts issued by ICAI which is in effect from 01.04.2016. Forward contracts are accounted for at fair value with the changes in fair value as at the reporting date being recognised in the profit and loss statement.

xiv) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale.

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

All other borrowing costs are recognised as an expense in the period in which they are incurred.

xv) Inventories

Raw materials and components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is ascertained under first in first out method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xvi) Customs Duty

Customs duty applicable on goods under clearance have been computed and provided for by adding the same to the value of relative inventories.

xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Contingent liabilities are disclosed in the notes when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are neither recognised nor disclosed in the accounts.

xi) Earnings per share

The basic earnings per share is computed by dividing the net profits / (losses) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for the year is presented and adjusted for events, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted Earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders with the weighted average number of equity shares as increased by the weighted average number of all dilutive potential equity shares outstanding during the period.

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2 Share Capital	31.03.2021 (₹)	31.03.2020 (₹)
Authorised :		
80,00,000 (2020 : 70,00,000) Equity Shares of ₹.10/- each	8,00,00,000	7,00,00,000
20,00,000 (2020 : Nil) Preference Shares of ₹.10/- each	2,00,00,000	-
	10,00,00,000	7,00,00,000
Issued, Subscribed and Paid up		
68,00,002 (2020 : 67,99,992) Equity Shares of ₹.10/- each	6,80,00,020	6,79,99,920
10,79,990 (2020 : Nil) Compulsorily Convertible Cumulative Preference Shares of ₹.10/- each	1,07,99,900	-
	7,87,99,920	6,79,99,920

a. Reconciliation of the shares outstanding at the beginning and at the end of the financial year:

(i) Equity Shares outstanding:	31.03.2021		31.03.2020	
	No. of shares	(₹)	No. of shares	(₹)
At the beginning of the year	67,99,992	6,79,99,920	67,99,992	6,79,99,920
Issued during the year	10	100	-	-
Outstanding at the end of the year	68,00,002	6,80,00,020	67,99,992	6,79,99,920

(b) (i). Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹. 10 per share. 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 remaining assets of the company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend, if any, proposed by the Board of Directors is subject to the prior written consent of the Debenture Trustee and the approval of the shareholders at the ensuing Annual General Meeting.

(i) Compulsorily Convertible Cumulative Preference Shares outstanding:

	31.03.2021		31.03.2020	
	No. of shares	(₹)	No. of shares	(₹)
CCPS :				
At the beginning of the year	-	-	-	-
Issued during the year with dividend right of 0.01% p.a	4,79,990	47,99,900	-	-
Outstanding at the end of the year	4,79,990	47,99,900	-	-
CCPS Series A :				
At the beginning of the year	-	-	-	-
Issued during the year with dividend right of 5% p.a	6,00,000	60,00,000	-	-
Outstanding at the end of the year	6,00,000	60,00,000	-	-
Total Preference Shares outstanding at the end of the year	10,79,990	1,07,99,900	-	-

(b) (ii) Terms/rights attached to Preference shares:

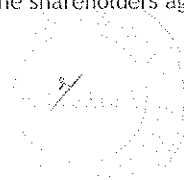
During the year, the Company has issued

(i) 4,79,990 (PY : Nil) 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 240 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on 24.06.2020.

(ii) 6,00,000 (PY : Nil) 5% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 240 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 5% per annum on 19.11.2020.

The premium for the preference shares was based on the valuation report issued by a Registered Valuer on 03.06.2020.

The compulsorily convertible preference shares are convertible into 7,34,393 equity shares of ₹ 10 each as laid down in the Articles of Association ("the AOA") (as amended) of the Company and the shareholders agreement.



The conversion shall take place upon the occurrence of any of the following events:

- (i) At the latest time permitted under Applicable Laws, considering the listing of the Equity Shares of the Company pursuant to an IPO.
- (ii) Expiry of 120 months from 18th June, 2020, being the Execution Date of the Original SSHA ("Investment Period").
- (iii) Any time prior to the expiry of the Investment Period at the option of the holder.

The equity shares allotted on conversion shall rank pari- passu with the outstanding equity shares.

The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters.

In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

c. Details of shareholders holding more than 5% shares in the company:

Particulars	31.03.2021		31.03.2020	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares :				
Ramesh Kunhikannan, Managing Director	67,96,670	99.95%	67,96,670	99.95%
Preference Shares :				
Mrs. Freny Firoze Irani	10,79,990	100%	-	-

d. For the period of five years immediately preceding 31.03.2021

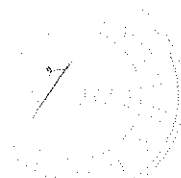
- (i) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.
- (ii) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

	No. of shares	(₹)
Equity share of ₹. 10/- each		
(i) Financial Year 2017-18	16,99,992	1,69,99,920
The Company has issued 16,99,992 fully paid equity shares of ₹.10 each during that year as bonus shares based on approval accorded by the shareholders at the EGM held on 14.09.2017. One Bonus share of ₹.10 each was allotted for every three equity share held in the company.		
(iii) No shares were bought back.		

3 Reserves and Surplus

	31.03.2021 (₹)	31.03.2020 (₹)
Securities Premium		
Balance as at the beginning of the year	75,09,880	75,09,880
Additions during the year from fresh issue of shares	25,92,00,000	-
Closing Balance	26,67,09,880	75,09,880
Debenture Redemption Reserve		
Balance as at the beginning of the year	6,83,12,500	8,00,00,000
Less : Transferred to General Reserve on utilisation for redemption of debentures	4,91,87,500	1,16,87,500
	1,91,25,000	6,83,12,500
General Reserve		
Balance as at the beginning of the year	6,16,87,500	5,00,00,000
Add : Transfer from Debenture Redemption Reserve	4,91,87,500	1,16,87,500
Closing Balance	11,08,75,000	6,16,87,500
Surplus in the profit and loss statement		
Balance as at the beginning of the year	84,34,65,005	73,00,18,042
Net Surplus in the profit and loss statement	8,26,01,495	11,34,46,963
	92,60,66,500	84,34,65,005
Total Reserves and Surplus	1,32,27,76,380	98,09,74,885

*The debenture redemption reserve is created as per Section 71 of the Companies Act-2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014.



4 Long-term borrowings

	Non-current portion		Current portion	
	31.03.2021 (₹)	31.03.2020 (₹)	31.03.2021 (₹)	31.03.2020 (₹)
Debentures				
Unsecured Debentures	-	-	-	15,00,00,000
Secured Debentures	2,97,50,000	7,65,00,000	4,67,50,000	4,67,50,000
Term Loans				
From Bank - Secured	11,26,96,759	-	8,50,55,582	-
From Others - Secured	90,01,396	79,26,634	47,57,371	75,50,334
From Others - Unsecured	-	-	-	55,26,504
Vehicle Loan				
From Bank - Secured	1,62,38,700	1,32,00,591	55,30,031	46,49,594
From Others - Secured	-	3,28,889	3,28,889	4,38,332
	16,76,86,854	9,79,56,114	14,24,21,872	21,49,14,764
The above amount includes				
Secured borrowings	16,76,86,854	9,79,56,114	14,24,21,872	5,93,88,260
Unsecured borrowings	-	-	-	15,55,26,504
Amount disclosed under the head "Other current liabilities"[refer note 9]	-	-	(14,24,21,872)	(21,49,14,764)
Net amount	16,76,86,854	9,79,56,114	-	-

[a.] Notes on Debentures

(i) 150 Unrated, Unsecured Unlisted Non Convertible Debentures of face value ₹. 10,00,000/- each were issued to M/s Grand Anicut Trust - 1, with a coupon rate of 18% p.a. payable at monthly advance rest. The maturity date shall be the date falling on the expiry of 30 months from the deemed date of allotment which is 17.10.2017. These are guaranteed by the personal guarantee of and pledge of 26% shares of the Company held by the founders of the company. The Maturity date of the above debentures was amended with the consent of the holders and was fully repaid on 18.11.2020

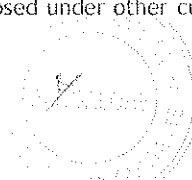
(ii) 1,700 Unrated, Secured, Unlisted Non Convertible Debentures of face value ₹. 1,00,000/- each were issued to IL&FS Infrastructure with a coupon rate of 16% p.a. payable at monthly advance rest repayable in 16 quarterly instalments with the first repayment starting from 30.06.2019 onwards. This is secured against hypothecation of specific plant & machinery and specific receivables. These are guaranteed by the personal guarantee of promoter directors and pledge of 33% shares of the company held by a promoter director. The principal amount falling due within a period of 12 months from the balance sheet date on these debentures aggregating to ₹.4.68 Crores (PY ₹.4.68 Crores) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9)

[b.] Notes on Term Borrowings- Secured - Bank

(i) Canara Bank - Emergency Credit Line (CCECL) of ₹ 5.60 Crores (PY: Nil) repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement (20.04.2020). The loan is secured against extension of charge on existing primary and collateral security. The principal amount falling due within a period of 12 months from the balance sheet date aggregating to ₹ 3.73 Crores (PY Nil) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

(ii) Canara Bank - Emergency Credit Line (CCECL) of ₹ 11.20 Crores (PY: Nil) repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement (12.02.2021). The loan is secured against extension of charge on existing primary and collateral security. The principal amount falling due within a period of 12 months from the balance sheet date aggregating to ₹ 0.23 Crores (PY Nil) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

(iii) Canara Bank - COVID-19 - Regulatory Package, Interest on Cash Credit from March 2020 to August 2020 of ₹ 3.30 Crores converted to Funded Interest Term Loan (FITL) repayable on or before 30.04.2021. The loan is secured against extension of charge on existing primary and collateral security. The principal amount falling due within a period of 12 months from the balance sheet date aggregating to ₹ 3.30 Crores (PY Nil) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).



(iv) Saraswat Bank - Covid-19 (STCC-Covid-19) loan of ₹ 3.70 Crores (PY: Nil) repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement (25.06.2020). The loan is secured against extension of charge on existing primary collateral security. The principal amount falling due within a period of 12 months from the balance sheet date aggregating to ₹ 1.23 Crores (PY Nil) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

(v) Saraswat bank - COVID-19 - Regulatory Package, Interest on Cash Credit from March 2020 to August 2020 ₹ 2.32 Crores converted to Funded Interest Term Loan (FITL) repayable in 6 equal monthly instalments. The loan is secured against extension of charge on existing primary and/ or collateral security. This Loan was fully repaid on 15.03.2021.

(vi) State Bank of India - COVID-19 Emergency Credit Line (CCECL) of ₹ 1.70 Crores (PY: Nil) repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement (09.04.2020). The loan is secured against extension of charge on existing primary and collateral security. This Loan was fully repaid on 25.03.2021.

(vii) State Bank of India - COVID-19 - Regulatory Package, Interest on Cash Credit from March 2020 to August 2020 ₹. 0.96 Crores converted to Funded Interest Term Loan (FITL) repayable on or before 31.03.2021. The loan is secured against extension of charge on existing primary and collateral security. This Loan was fully repaid on 31.03.2021

Term Borrowings - Secured Others - NBFCs

(i) Sundaram Finance Ltd- Secured term loan-1 of ₹. 44.70 lakhs is repayable in 47 monthly instalments. The loan is secured by hypothecation of plant and machinery acquired using this loan. The principal amount falling due within a period of 12 months from the balance sheet date ₹. 7.77 lakhs (PY : ₹. 13.27 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9) Charge is pending to be registered with ROC for this loan.

(ii) Sundaram Finance Ltd- Secured term loan-2 of ₹. 1.68 Crores is repayable in 48 monthly instalments. The loan is secured by hypothecation of plant and machinery acquired using this loan. The principal amount falling due within a period of 12 months from the balance sheet date ₹ 39.80 Lakhs (PY : ₹.38.63 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

(iii) Siemens Financial Services Private Limited - Two secured term loans from this Non Banking Financial Institution was repayable in 48 monthly instalments. The loan was secured by hypothecation of plant and machinery acquired using the loan. The principal amount falling due within a period of 12 months from the balance sheet date aggregating to ₹. Nil (PY ₹.23.59Lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).This loan was fully repaid on 22.01.2021.

[c.] Notes on Term Borrowings- Unsecured

(i) Hero Fincorp.- Unsecured working capital term loan of ₹.5 Crores repayable in 48 monthly instalments. The loan is secured by a charge on the personal property of the director Mr. Ramesh Kunhikannan, situated at SY 60, Kizhunna desom, Kannur and LIC policy of Ramesh Kunhikannan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. Nil (PY: ₹. 55.26 Lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9). This loan is fully repaid during the year.

[d.] Notes on Vehicle Loans

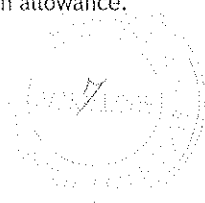
Vehicle loan from banks are repayable in 48 to 72 monthly instalments along with the interest. These loan are secured against the vehicles purchased using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on these loans aggregating to ₹. 55.30 lakhs (PY ₹. 46.49 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

Vehicle loan from others for ₹. 9 lakh is repayable in 24 monthly instalments. The loan is secured against the vehicle purchased using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 3.28 lakhs [PY ₹. 4.38 lakhs is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

[e.] There has been no Continuing default as on balance sheet date in repayment of loans and interest.

5 Deferred Tax Liability (Net)

	31.03.2021 (₹)	31.03.2020 (₹)
Deferred tax liability		
Fixed assets: timing differences on account of depreciation allowance.	7,15,68,917	9,51,08,671
Gross deferred tax liability	7,15,68,917	9,51,08,671



Deferred tax asset		
Expenses: timing differences on expenses allowable on payment basis.	1,00,30,699	1,10,97,755
Gross deferred tax asset	1,00,30,699	1,10,97,755
Net deferred tax liability	6,15,38,218	8,40,10,917

6 Long term provisions

	Non-current portion		Current portion	
	31.03.2021 (₹)	31.03.2020 (₹)	31.03.2021 (₹)	31.03.2020 (₹)
Provision for employee benefits				
Gratuity [refer note 31]	2,52,56,462	2,13,54,336	61,05,883	21,15,113
Compensated Absences [refer note 31]	50,99,401	41,69,228	4,44,275	3,28,285
	3,03,55,863	2,55,23,564	65,50,158	24,43,398
Amount disclosed under the head "Short Term Provisions" [refer note 10]	-	-	(65,50,158)	(24,43,398)
Net amount	3,03,55,863	2,55,23,564	-	-

7 Short-term borrowings

	31.03.2021 (₹)	31.03.2020 (₹)
Short term Unsecured loans from shareholders	1,82,25,000	1,42,00,000
Loans Repayable on demand :		
- From Banks		
Cash Credit - Secured	91,22,13,239	96,14,83,972
Rupee Packing Credit - Secured	10,00,21,930	10,01,20,229
- From Other Parties		
Rupee demand loan - Unsecured	2,96,21,390	2,95,95,815
	1,06,00,81,559	1,10,54,00,017
	31.03.2021 (₹)	31.03.2020 (₹)
The above amount includes		
Secured borrowings	1,01,22,35,169	1,06,16,04,202
Unsecured borrowings	4,78,46,390	4,37,95,815
Net amount	1,06,00,81,559	1,10,54,00,017

[Notes]

a) Short term loans from shareholders are repayable in monthly instalments during the next year.

b) Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility to the extent of ₹. 56 Crores holds a paripassu charge along with Saraswat Co-operative Bank Limited and State Bank of India. Further these loans have been guaranteed by the personal guarantee of two promoter directors of the company and further secured by pledge of 30% shares of the company held by one of the promoter director.

c) Saraswat Co-operative Bank Limited has approved a cash credit facility of ₹. 37 crores which is secured against hypothecation of Stocks, Book debtors, Land and Buildings with paripassu charge along with Canara Bank and State Bank of India. Further these loans have been guaranteed by the personal guarantee of two promoter directors of the company.

d) State Bank Of India has approved a cash credit facility of ₹. 17 crores which is secured against hypothecation of Stocks, Book debtors, Land and Buildings with paripassu charge along with Canara Bank and Saraswat Co-operative Bank Limited. Further these loans have been guaranteed by the personal guarantee of two promoter directors of the company.

e) Rupee demand loan amounting to ₹. 3.0 crores from Oxyzo Financial Services Private Limited is secured by Unconditional and irrevocable bank guarantee amounting to ₹. 3.0 Crores.



8 Trade Payables

	31.03.2021 (₹)	31.03.2020 (₹)
Total outstanding dues of micro and small enterprises [refer note below]	4,93,41,895.00	4,01,65,198
Total outstanding dues of creditors other than micro and small enterprises	83,06,20,511.00	86,56,21,678
	87,99,62,406.00	90,57,86,876

[Note] The Company has identified Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on intimations received from suppliers as to their status under the said Act. Particulars of dues to these parties are as under:

Overdue amount outstanding at the end of the year	2,54,79,542	3,27,09,920
Principal amount (except overdue amount) outstanding at the end of the year	2,23,54,740	64,51,812
Interest paid after due date during the year	-	-
Interest amount accrued and remaining unpaid at the end of the year	15,07,613	10,03,467

9 Other current liabilities

	31.03.2021 (₹)	31.03.2020 (₹)
Other Liabilities		
Current Maturities of long-term debts [refer note 4]	14,24,21,872	21,49,14,764
Interest accrued but not due on borrowings	17,34,425	16,83,105
Others		
Trade Payables [Capital Goods]	1,16,92,939	1,59,40,452
Dues to employees [Refer note below]	4,85,48,828	3,94,43,644
Statutory dues payable	4,73,74,398	2,77,34,066
Advance from customers	8,63,71,458	-
Advance from customers - Related Parties	2,55,88,698	98,75,658
	36,37,32,618	30,95,91,690

[Notes]

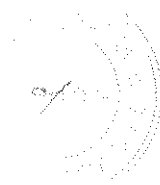
Dues to employees include due to related parties:

- Ramesh Kunhikannan	2,68,149	6,50,800
- Savitha Ramesh	3,84,230	3,30,800
- Jairam P Sampath	2,92,612	3,36,800
- Satheesh Kumar Gopa Kumar	3,62,112	-
- Premita Ramesh	1,20,612	80,800
- Govind Shasiprasad Menokey	2,23,812	2,41,800

10 Short term provisions

	31.03.2021 (₹)	31.03.2020 (₹)
Compensated Absences [refer note 6]	4,44,275	3,28,285
Gratuity [refer note 6]	61,05,883	21,15,113
Income Tax (Net of Advance tax paid and TDS)	83,00,861	1,64,78,365
	1,48,51,019	1,89,21,763

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KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

11.(i) Tangible assets											(Amounts in ₹.)	
Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Electrical Fittings	Computers	Vehicles	Air Conditioners	Leasehold Improvement	Total
Gross Block at cost												
As at March 31, 2019	45,33,125	1,43,19,410	8,93,93,283	47,19,84,674	3,44,02,440	1,23,10,301	1,36,19,216	2,17,34,024	5,15,25,409	92,77,323	1,00,60,257	73,31,59,462
Additions	-	1,29,76,200	1,19,48,895	6,11,42,796	58,54,340	14,70,227	33,67,312	9,12,969	64,45,910	5,44,090	26,50,417	10,73,13,156
(Transfer)/Adjustment	-	(69,58,000)	69,58,000	-	-	-	-	-	-	-	-	-
Adjustment for grant received	-	-	-	(3,99,840)	-	-	-	-	-	-	-	(3,99,840)
Disposal	-	-	-	-	-	-	-	-	14,87,841	-	-	14,87,841
As at March 31, 2020	45,33,125	2,03,37,610	10,83,00,178	53,27,27,630	4,02,56,780	1,37,80,528	1,69,86,528	2,26,46,993	5,64,83,478	98,21,413	1,27,10,674	83,85,84,937
Additions	-	-	6,23,28,334	4,80,43,931	30,71,935	11,10,186	15,93,522	14,82,378	65,01,416	9,08,006	18,95,005	12,69,34,711
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	45,33,125	2,03,37,610	17,06,28,512	58,07,71,561	4,33,28,715	1,48,90,714	1,85,80,050	2,41,29,371	6,29,84,894	1,07,29,419	1,46,05,679	96,55,19,648
Accumulated Depreciation												
Up to April 1, 2019	-	-	1,38,11,191	18,07,28,090	1,88,18,081	98,11,625	1,00,83,596	1,91,00,313	2,27,62,761	64,88,790	66,84,153	28,82,88,601
Charge for the year 2019-20	-	-	26,47,420	3,45,18,103	30,36,230	14,68,785	7,32,127	20,20,292	54,19,922	10,28,224	20,79,341	5,29,50,444
On Disposal	-	-	-	-	-	-	-	-	14,87,841	-	-	14,87,841
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Up to March 31, 2020	-	-	1,64,58,611	21,52,46,193	3,28,54,311	1,12,80,409	1,08,15,723	2,11,20,605	2,66,94,842	75,17,014	87,63,494	34,07,51,204
Charge for the year 2020-21	-	-	34,69,683	3,86,73,269	32,50,290	9,50,112	10,14,097	19,41,752	62,38,966	8,38,829	24,82,886	5,88,59,883
On Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Up to March 31, 2021	-	-	1,99,28,294	25,39,19,462	2,61,04,601	1,22,30,521	1,18,29,820	2,30,62,357	3,29,33,808	83,55,843	1,12,46,380	39,96,11,087
Balance as at March 31, 2021	45,33,125	2,03,37,610	15,07,00,218	32,68,52,099	1,72,24,114	26,60,193	67,50,230	10,67,014	3,00,51,086	23,73,576	33,59,299	56,59,08,561
Balance as at March 31, 2020	45,33,125	2,03,37,610	9,18,41,567	31,74,81,437	1,74,02,469	25,00,119	61,70,805	15,26,388	2,97,88,636	23,04,399	39,47,180	49,78,33,733

[1] Building includes an apartment at Parwanoo - Himachal Pradesh costing ₹ 11,83,000/-, which is pending registration.

[2] In the previous year company acquired additional leasehold property originally leased to a firm in which one of the directors was a partner along with an existing industrial shed thereon with the approval of Karnataka Industrial Development Board (KIADB) who is the lessor with a right to convert to freehold at the end of two years if certain conditions mentioned in the agreement are met. The total cost paid to a director of the company who is the successor in interest of the said firm is based on a report obtained from an independent valuer and the transfer fee paid to Karnataka Industrial Development Board and incidental cost on stamp duty etc. The value of the industrial shed ascertained based on the said report has been capitalised under building.

[3] Leasehold land on which a building measuring about 750 sq meter was constructed is eligible for being converted into freehold land by KIADB who is the lessor, which is pending as on 31.03.2021.

[4] In the previous year grant received from Global Innovation Technology Alliance for acquisition of certain Plant & Machinery has been reduced from its carrying cost. (Refer Note No 35)

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	(Amounts in ₹)		
	Computer Software	Technical Knowhow (including Designs & Prototypes)	Total
Gross Block at cost			
As at March 31, 2019	1,67,97,644	3,89,03,360	5,57,01,003
Additions/Adjustment	-	88,14,713	88,14,713
Disposal/Adjustment	-	-	-
As at March 31, 2020	1,67,97,644	4,77,18,072	6,45,15,716
Additions/Adjustment (Refer Note No: 35)	-	7,16,17,770	7,16,17,770
Disposal/Adjustment	-	-	-
As at March 31, 2021	1,67,97,644	11,93,35,842	13,61,33,486
Accumulated Amortisation			
Up to April 1, 2019	77,88,424	16,64,840	94,53,264
Charge for the year/Adjustment	25,72,476	77,89,088	1,03,61,564
Disposal/Adjustment	-	-	-
Up to March 31, 2020	1,03,60,900	94,53,928	1,98,14,828
Charge for the year/Adjustment	25,70,695	1,10,70,980	1,36,41,675
Disposal/Adjustment	-	-	-
Up to March 31, 2021	1,29,31,595	2,05,24,908	3,34,56,503
Balance as at March 31, 2021	38,66,049	9,88,10,934	10,26,76,983
Balance as at March 31, 2020	64,36,744	3,82,64,144	4,47,00,888

(iii) Capital Work in Progress including Advance paid to contractor

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Tangible Assets under Construction or Installation	Total
	As at March 31, 2019	-	-	2,19,56,865
Additions/Adjustment	83,72,310	3,58,55,303	2,39,35,976	6,81,63,589
Capitalization of interest	-	-	38,60,586	38,60,586
As at March 31, 2020	83,72,310	3,58,55,303	4,97,53,427	9,39,81,040
Additions/Adjustment (Refer Note No: 35(a))	73,34,988	10,40,09,200	99,54,393	17,12,98,501
Capitalization of interest	-	36,28,477	62,83,816	99,12,293
Capitalized in 2020-21	-	(7,16,17,770)	(5,59,33,787)	(12,75,51,556)
As at March 31, 2021	1,57,07,298	7,18,75,210	1,00,57,850	9,76,40,278

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

12 Non-current investments

	31.03.2021 (₹)	31.03.2020 (₹)
Trade investments (Valued at cost unless stated otherwise)		
Investments in equity Instruments of Subsidiaries (Unquoted)		
Kaynes Embedded System Private Limited	30,00,000	30,00,000
Less: Provision for diminution in value	(30,00,000)	(30,00,000)
Kemsys Technologies Private Limited	50,00,000	50,00,000
Kaynes International Design & manufacturing Private Limited	14,99,900	14,99,900
Kaynes Technology Europe GmbH	92,41,162	92,41,162
Investments in equity instruments- Others (Unquoted)		
Winfoware Technologies Limited	1,08,02,500	1,08,02,500
Mysore ESDM Cluster	25,000	25,000
	2,65,68,562	2,65,68,562
Investments in Mutual Funds (Un-quoted)		
Canara Robeco Capital Protection Oriented Regular Growth Fund 4,00,000 units at ₹. 10 [PY: 4,00,000 units at ₹.10]	40,00,000	40,00,000
Canara Robeco Emerging Equities - Regular Growth fund - 2,273.130 units of ₹. 87.91 each [PY: 2273.130 units of ₹.87.91 each]	1,99,850	1,99,850
Canara Robeco Emerging Equities - Regular Growth fund - 315.66 units of ₹ 95.04 each [PY:315.66 units of ₹. 95.04 each]	30,000	30,000
Canara Robeco Equity Hybrid Fund - Regular Growth fund - 976.665 units at ₹.143.24 each [PY: 976.665 units at ₹.143.24 each]	1,39,900	1,39,900
Canara Robeco Equity Hybrid Fund - Regular Growth fund -135.30 units at ₹.147.82 each [PY: 135.30 units at ₹.147.82 each]	20,000	20,000
Canara Robeco Infrastructure - Regular Growth Fund- 1,711 units at ₹. 46.7124 [PY: 1,711 units at ₹.46.7124 each]	79,925	79,925
Canara Robeco Blue Chip Equity Fund - 6,474.126 units of ₹.21.6129 each [PY: 6,474.126 units of ₹.21.6129 each]	1,39,925	1,39,925
Canara Robeco Large Capital Fund - Regular Growth Fund- 1,320.412 units of ₹.22.7201 each [PY: 1320.412 units of ₹.22.7201 each]	30,000	30,000
Canara Robeco Consumer Trends Fund - Regular Growth - 1,083.756 units of ₹.36.9086 each [PY: 1,083.756 unit of ₹. 36.9086 each]	40,000	40,000
Canara Robeco Flexi Cap Fund - Regular Growth- 404.530 units of ₹.123.6002 each [PY: 404.530 units of ₹.123.6002 each]	50,000	50,000
	47,29,600	47,29,600
Total	3,12,98,162	3,12,98,162
Aggregate amount of Unquoted trade investments	2,95,68,562	2,95,68,562
Aggregate amount of provision for diminution in value of trade investments	30,00,000	30,00,000
NAV of investments in Un-quoted Mutual Funds	60,60,119	51,42,844

12.1 Investments in equity instruments of subsidiaries

- a) Investment in Kaynes Embedded System Private Limited, 30,000 equity shares of ₹.100 each (2020: 30,000 equity shares) of ₹.100/- each, constitutes 60% (2020: 60%) of the capital of that company.
- b) Investment in Kemsys Technologies Private Limited 50,00,000 (of this 10 shares held by the nominee) equity shares (2020: 50,00,000) of face value of ₹.1/- each purchased at par, constitutes 100% (2020: 100%) of the capital of that company.
- c) Investment in Kaynes Technology Europe GmbH- 270 equity shares (of this 27 shares held by the nominee) ₹. 92,41,162/- (2020: ₹. 92,41,162/-), constitutes 60% (2020: 60%) of capital of that company.
- d) Investment in Kaynes International Design & manufacturing Private Limited- 1,49,990 equity shares ₹. 14,99,900/- (2020: 1,49,990), constitutes 95.21% (2020:95.21%) of capital of that company.

12.2 Investments in equity instruments- Others

- a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (2020: 14,87,120 equity shares) face value of ₹.5/- each purchased at a premium, constitutes 18.98% (2020 : 18.98%) of the capital of that company.



b) Investment in Mysore ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of ₹ 10/- each constitutes 0.18% (2020:14.29%) of the capital of that company.

13 Long-term loans and advances

	Non-current portion		Current portion	
	31.03.2021 (₹)	31.03.2020 (₹)	31.03.2021 (₹)	31.03.2020 (₹)
Capital Advances - Unsecured, considered good	55,26,662	3,50,20,585	-	-
Security Deposit - Unsecured, Considered good				
Rent Deposit	1,82,81,848	1,82,15,684	-	-
Utility Deposit	31,53,798	31,53,798	-	-
EMD Deposit	-	-	31,33,282	62,04,174
Deposit against performance guarantee	-	-	54,55,073	19,67,515
Loans and advances to related parties [Refer Note No. ¹³⁽¹⁾]				
Unsecured, considered doubtful			37,91,722	37,91,722
Less : Provision for doubtful advances			(37,91,722)	(37,91,722)
Unsecured, considered good	10,07,47,914	5,46,97,823	1,58,94,746	3,07,60,164
Advances recoverable in cash, kind or for value to be received				
Unsecured considered good	1,30,04,490	1,29,60,400	-	-
Other loans and advances				
Balance with statutory/government authorities - Unsecured [Refer note 17]	3,60,215	39,59,835	2,49,92,887	2,92,46,310
Advance Income Tax (Net of Provisions)	38,31,537	18,83,939	-	-
Loans and advances to employees	-	-	22,96,255	91,52,461
	14,49,06,464	12,98,92,065	5,17,72,243	7,73,30,625
Amount disclosed under the head "Short term Loans and Advances" [refer note 17]	-	-	(5,17,72,243)	(7,73,30,625)
Net amount	14,49,06,464	12,98,92,065	-	-
The above amount includes				
Unsecured, considered good	14,49,06,464	12,98,92,065	5,17,72,243	7,73,30,625

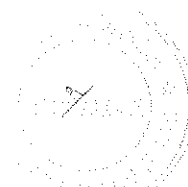
[Notes]

[13.1] Loans to related parties include ₹. 9.30 crores (PY ₹. 3.92 Crore) given to Kemsys Technologies Private Limited (Wholly-Owned Subsidiary) and ₹ 1,54,85,599/- (PY: ₹ 2,08,27,045/-) due from directors against employee loans given to them pursuant to resolution approved at EGM on 28.03.2016 and modified on 30.08.2019. Both the loans carrying interest of 8% per annum [PY: 8% per annum]. Balance represents advances given to other subsidiaries and associates in the normal course of business with them.

14 Inventories

	31.03.2021 (₹)	31.03.2020 (₹)
Raw Materials and Components	1,12,79,26,232	1,00,94,66,504
Work in progress-Goods	12,85,18,469	11,45,54,167
Work in progress - Services	7,05,49,250	6,23,30,189
Finished Goods - Manufactured	14,02,20,723	18,87,13,029
Stores and spares	3,81,02,925	2,96,94,772
Goods In Transit	1,98,90,909	3,16,78,496
	1,52,52,08,508	1,43,64,37,157

*Inventory is valued at cost on FIFO method through the Inventory module of accounting package used and consists of material costs and overheads to the extent applicable and allocated.



15 Trade Receivable

	31.03.2021 (₹)	31.03.2020 (₹)
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	13,16,23,269	9,74,68,635
Unsecured, considered Doubtful	-	-
	13,16,23,269	9,74,68,635
Less: Provision for doubtful receivable	-	-
Net total	13,16,23,269	9,74,68,635
Others		
Unsecured, considered good	1,08,38,37,594	83,15,07,712
Total	1,08,38,37,594	83,15,07,712
	1,21,54,60,863	92,89,76,347

16 Cash and Bank Balances

	31.03.2021 (₹)	31.03.2020 (₹)
Cash and Cash Equivalents		
In cash credit account ^[1]	13,773	13,773
In current accounts	2,04,52,102	6,47,829
In EEFC account	1,79,451	1,54,952
Cash on hand	1,24,376	1,66,413
	2,07,69,702	9,82,966
Other bank balances		
Other earmarked balances ^[2]	8,59,90,296	7,72,76,380
Margin Money ^[3]	2,04,81,043	3,25,78,314
Other Deposits [4]	37,55,886	45,16,438
	11,02,27,226	11,43,71,132
	13,09,96,928	11,53,54,098

[1] Represents the debit balance in Ratnakar Bank Limited (RBL)

[2] Other earmarked balances include deposits encumbered with banks ₹ 6,91,95,627/- (PY : ₹ 6,10,07,795/-) for providing working capital facility and are readily encashable and the balance of ₹ 1,67,94,669/- (PY : ₹ 1,62,68,585/-) held in compliance with terms of issue of secured debentures.

[3] Held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

[4] Other deposits include ₹ 4,30,842/- (PY : Nil) held in compliance with section 135(

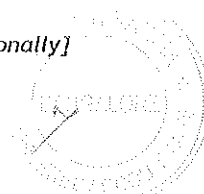
17 Short-term loans and advances

	31.03.2021 (₹)	31.03.2020 (₹)
Other loans and advances - Unsecured considered good		
Long-term loans and advances - Current Portion [Refer note 13]	2,67,79,356	4,80,84,315
Balance with statutory/government authorities	2,49,92,887	2,92,46,310
Prepaid expenses	1,41,86,070	1,87,18,860
Advance paid to Suppliers	8,36,44,862	19,81,26,651
Minimum Alternate Tax- Credit Entitlement	-	81,41,115
Total	14,96,03,175	30,23,17,251

18 Other current assets

	31.03.2021 (₹)	31.03.2020 (₹)
Others		
Interest accrued	1,60,84,915	1,17,86,456
Grant Receivable	-	35,88,549
Total	1,60,84,915	1,53,75,005

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KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

19 Revenue from operations

	31.03.2021 (₹)	31.03.2020 (₹)
Sale of products		
Export Sales	75,12,16,582	63,38,33,295
Domestic Sales	2,91,93,54,500	2,64,00,42,284
Sale of services	25,74,17,263	32,95,32,310
Revenue from operations	3,92,79,88,345	3,60,34,07,889

20 Other Income

	31.03.2021 (₹)	31.03.2020 (₹)
Interest Income (Gross)		
On Fixed deposits	66,43,040	75,25,859
On Advances	77,71,345	66,64,308
Export incentives	1,26,17,609	55,12,620
Liabilities Written Back (Net)	28,18,657	-
Profit on sale of mutual funds	-	10,16,798
Profit on sale of fixed assets	-	50,000
Profit on Foreign Exchange Fluctuation (Net)	88,13,724	-
Miscellaneous Income	1,48,290	3,686
	3,88,12,665	2,07,73,271

21 Cost of raw materials and components consumed

	31.03.2021 (₹)	31.03.2020 (₹)
Inventory at the beginning of the year		
Raw Materials and Components	1,00,94,66,504	94,01,59,615
Add: Purchases	2,82,35,78,382	2,64,73,79,305
	3,83,30,44,885	3,58,75,38,920
Less: Inventory at the end of the year		
Raw Materials and Components	1,12,79,26,232	1,00,94,66,504
	2,70,51,18,654	2,57,80,72,416
Less: Research and Development Expenditure (Considered Separately in Note No. 25)	5,39,94,360	2,07,29,454
Cost of raw materials and components consumed	2,65,11,24,293	2,55,73,42,962

22 Changes in inventories of finished goods and work-in-progress

	31.03.2021 (₹)	31.03.2020 (₹)
Closing Stock		
Finished Goods	14,02,20,723	18,87,13,029
Work-in-progress-Goods	12,85,18,469	11,45,54,167
Work-in-progress-Service	7,05,49,250	6,23,30,189
	33,92,88,442	36,55,97,385
Less:		
Opening Stock		
Finished Goods	18,87,13,029	6,26,57,772
Work-in-progress-Goods	11,45,54,167	10,26,12,716
Work-in-progress-Service	6,23,30,189	3,17,00,416
	36,55,97,385	19,69,70,903
	2,63,08,943	(16,86,26,482)



23 Employee Benefits expense

	31.03.2021 (₹)	31.03.2020 (₹)
Salaries and Wages	43,28,53,523	39,03,25,270
Contribution to Provident and other funds	2,61,37,132	1,43,47,765
Staff welfare expenses	4,48,62,593	4,11,91,107
	50,38,53,247	44,58,64,142
Less: Research and Development Expenditure (Considered Separately in Note No. 25)	5,73,60,530	4,23,25,202
Less: Intangible Assets Capitalized (Refer Note No 35(a))	73,34,908	83,72,310
Total	43,91,57,809	39,51,66,630

24 Finance costs

	31.03.2021 (₹)	31.03.2020 (₹)
Interest		
- On Term/Vehicle Loans	1,78,68,771	1,04,10,020
- On Working Capital Loans	16,46,95,724	14,48,81,158
- On Debentures	3,05,17,476	5,15,60,860
- On delayed payment of Income Tax & TDS	1,20,08,813	55,80,650
- On delayed payment of other taxes	4,50,816	95,01,004
- Others	55,25,800	19,68,542
Loan processing Fees	40,89,557	53,14,182
	23,51,56,957	22,92,16,416
Less: Capitalization of Interest (Refer Note No 11(iii))	99,12,295	38,60,586
Total	22,52,44,662	22,53,55,830

25 Research and Development Expenditure

	31.03.2021 (₹)	31.03.2020 (₹)
Raw Materials, Components and Consumables	5,39,94,360	2,07,29,454
Salaries and Wages	5,73,60,530	4,23,25,202
Professional Charges	38,55,250	3,00,000
Communication expenses	5,71,428	3,75,624
Travelling and Conveyance	3,10,401	14,30,036
	11,60,91,969	6,51,60,316
Less: Grant Received (Refer Note No 35(b))	-	42,44,709
	11,60,91,969	6,09,15,607
Less : Capitalised as Intangible Assets/Intangible Assets under development (Refer Note No 11(iii))	10,40,09,200	4,46,70,016
Total	1,20,82,769	1,62,45,591

26 Other Expenses

	31.03.2021 (₹)	31.03.2020 (₹)
Rent	3,22,59,600	2,84,53,351
Rates and Taxes	1,19,47,719	2,39,81,561
Printing and Stationery	40,72,913	39,49,297
Insurance	51,32,062	39,38,434
Discounts allowed	49,11,628	46,60,064
Donations	1,44,51,092	12,35,645
Power and Fuel	2,96,63,353	2,76,45,278
Labour and Processing Charges	8,14,14,005	7,44,26,633



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

Stores, Spares and Consumables Consumed	8,97,97,875	7,89,00,905
Repairs and Maintenance:		
- Plant and Machinery	1,01,42,812	1,10,79,018
- Building	34,56,034	22,04,367
- Others	97,02,744	1,07,40,337
Security Charges	84,17,909	67,57,210
Legal and Professional Charges	1,70,32,514	1,76,05,242
Auditors Remuneration [Refer Note below]	13,50,000	12,30,000
Commission on Sales	1,72,68,538	1,30,88,128
LD/Claim Settled	2,20,783	5,82,848
Bank Charges	1,06,04,284	98,59,379
Communication expenses	56,29,077	72,23,297
Travelling and Conveyance	1,29,67,616	2,79,36,311
Advertisement and Business Promotion	1,04,17,898	1,25,03,875
Outward Freight and Forwarding	5,87,88,579	2,01,21,793
CSR expenditure	29,20,171	31,05,898
Bad Debts & advances Written Off	1,67,85,734	49,40,259
Loss on Foreign Exchange Fluctuation, (net)	-	70,73,314
Miscellaneous Expenses	17,25,380	4,72,909
	<u>46,10,80,321</u>	<u>40,37,15,352</u>

Less: Research and Development Expenditure (Considered Separately in Note No. 25)

- Professional Charges	38,55,250	3,00,000
- Communication expenses	5,71,428	3,75,624
- Travelling and Conveyance	3,10,401	14,30,036
	<u>47,37,079</u>	<u>21,05,660</u>

Total

45,63,43,242 40,16,09,692

Auditors' Remuneration :

	31.03.2021	31.03.2020
	(₹)	(₹)
Statutory Audit	10,00,000	9,00,000
Tax Audit	2,20,000	2,00,000
Taxation Services	1,00,000	1,00,000
Other certification	30,000	30,000
	<u>13,50,000</u>	<u>12,30,000</u>

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KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

27 Contingent Liabilities and Commitments

Particulars	31.03.2021 (₹)	31.03.2020 (₹)
Contingent Liabilities:		
a) Claims against the company not acknowledged as debt		
Disputed Income Tax Demand - [refer note 27.1]	17,36,670	17,36,670
Disputed Income Tax Demand - [refer note 27.2]	75,64,783	75,64,783
Disputed Income Tax Demand - [refer note 27.3]	1,29,75,492	54,77,900
Disputed Income Tax Demand - [refer note 27.4]	37,96,466	-
b) Bank Guarantees for contractual performance	1,96,93,398	1,58,67,852
c) Letter of Credit issued by bank against which goods are pending despatch	59,46,374	1,34,79,089
d) Bond Executed for Customs/Central Excise. Covered by Bank guarantee to the extent of ₹.56,61,000/- [PY: ₹.1,04,11,000/-]	21,32,14,000	27,82,14,000
e) On account of Bills Discounted with Banks setted off against Trade Receivable	17,14,82,272	10,00,44,771
f) Corporate Guarantee to Subsidiary Company	2,40,00,000	2,00,00,000
g) Other sums for which company is contingently liable	1,12,39,038	-
Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,30,28,865	3,00,98,653
(ii) Cumulative dividend on Preference shares	1,09,685	-

27.1 CPC demand of ₹ 17,37,670/- against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-17 and thereby reducing the MAT credit availed by the company which is disputed in appeal before CIT(A) where the matter is pending.

27.2 CPC Demand of ₹ 75,64,783/- against disallowance of claim under Section 35(2AB) for the AY 2017-2018. The company has paid ₹. 15,13,957/- under protest and filed an appeal which is pending.

No provision is made in respect of above income tax demands which are disputed in appeal as it has not reached the finality and the management is not expecting any material liability.

27.3 CPC Demand of ₹ 4,94,11,430/- relates to mismatch of income/deductions/exemptions reported in the Income Tax Returns and Form 16 for AY 2018-2019. The company has received demand notice from the National e-assessment center for an amount of ₹ 5,69,09,022/- on 08.05.2021 without considering the self assessment tax of ₹ 4,23,00,000/. The company is in the process of filing rectification against this and is confident of full relief.

27.4 As per TDS Reconciliation and correction enabling system of IT department there is a demand pending relating to alleged short / non deduction of TDS on certain payments. The company is confident that this has arisen due to certain errors in the various quarterly e-TDS returns filed and is in the process of rectifying the same. Hence no provision is considered necessary against this.

28 The investments in unquoted shares of various companies are strategic in nature and made with long term vision. Although Kemsys Technologies Private Limited and Winfoware Technologies Limited incurred cash losses during the year, no provision is made against the same considering future prospects. In the case of subsidiary M/s Kaynes Embedded Systems Private Limited investment of ₹.30,00,000/-[PY: ₹.30,00,000] in that company is fully provided for. The loans and advances aggregating to ₹.37,04,722/-[PY: ₹.37,04,722] due from this party is also fully provided for.

Company's investment in M/s Kemsys Technologies Private Limited of ₹. 50,00,000/- and loans advanced ₹ 9,30,05,114/-[PY: ₹.3,92,12,224] where net worth has eroded, is considered recoverable as the company has progressed with good product development and is expected to apply for patents soon. The future cashflow of that company from the patented products are expected to be quite good.

Mysore ESDM Cluster is a non-profit company registered under section 8 of the companies act 2013 and is considered as important for development of ecosystem required for manufacturing of electronic goods and hence carried at cost.



29 a) 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.

b) Some of the trade Receivables, loans & advances and trade payables are subject to confirmation. Management is of the opinion that discrepancies, if any, that may arise on such reconciliation/confirmation will not have any material impact on the financial statements on a net basis.

30 The Company has an internal control system which is adequate considering the size and operations of the company. The company has an in-house team of accountants. The operations and activities of the company are supervised by the Directors of the Company on a day-to-day basis. They are also involved in the approval and processing of payments.

Considering the present size and operations of the company, it has implemented simple information systems consisting of a software customised for the company which are extensively used with very high level of acceptance in the industry. The identification of risks and controls is not a separate evaluation but an integral part of the processes and procedures followed by the company.

The company also has a separate internal audit carried out by an external independent Chartered Accountant. The operations of the above controls are also constantly monitored by the Directors and these were found to be effectively operating at the year end.

31 Disclosure requirements as specified under AS 15 - " Employee Benefits" are envisaged below:

[a.] Defined Contribution Plans	(Amounts in ₹)	
	31.03.2021	31.03.2020
Particulars		
Employers' contribution to Provident Fund	37,25,983	28,03,048
Employers' contribution to Employee State Insurance	38,68,397	39,81,229
Employers' contribution to Employee's Pension Scheme 1995	84,57,068	63,62,231

[b.] Defined Benefit Plan

Gratuity -Funded obligation

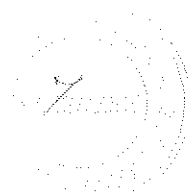
The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit credit method. The liability for gratuity is administered through Life Insurance Corporation of India (LIC).

Compensated Absences- Unfunded obligation

Company provided for unavailed accumulated leave of employees on the basis of actuarial valuation using projected unit credit method.

i. Actuarial Assumptions	Compensated Absences		Gratuity	
	2021	2020	2021	2020
Discount Rate (per annum)	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	NA	NA	7.00%	7.00%
Salary escalation rate ⁴	5.00%	5.00%	5.00%	5.00%
Mortality rate	IALM 12-14 Ultimate	IALM 12-14 Ultimate	IALM 12-14 Ultimate	IALM 12-14 Ultimate

⁴The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.



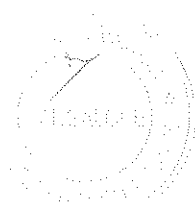
ii. Reconciliation of Obligation	Compensated Absences		Gratuity	
	2021	2020	2021	2020
Present value of obligation at the beginning of the year	44,97,513	50,07,168	3,09,80,621	3,13,79,956
Current Service Cost	13,21,407	13,28,491	59,16,272	49,94,681
Past Service cost	-	-	-	-
Interest Cost	3,14,826	3,50,502	21,68,643	21,96,597
Actuarial (gain)/ loss	(5,90,070)	(21,88,648)	58,73,852	(69,95,921)
Benefits Paid	-	-	(75,11,172)	(5,94,692)
Present value of obligation at the end of the year	55,43,676	44,97,513	3,74,28,216	3,09,80,621

iii. Reconciliation of fair value of plan assets	Gratuity	
	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the year	75,11,172	75,96,444
Return on plan assets	5,25,782	5,31,751
Actuarial gain/ (loss)	(50,110)	(22,331)
Contributions	55,90,199	-
Benefits paid	(75,11,172)	(5,94,692)
Assets distributed on settlement	-	-
Fair value of plan assets at the end of the year	60,65,871	75,11,172

iv. Description of Plan Assets	Gratuity	
	31.03.2021	31.03.2020
Insurer Managed Funds (LIC of India)	60,65,871	75,11,172

v. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Compensated Absences		Gratuity	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Present value of obligation at the end of the year	55,43,676	44,97,513	3,74,28,216	3,09,80,621
Fair value of plan assets at the end of the year	-	-	60,65,871	75,11,172
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	55,43,676	44,97,513	3,13,62,345	2,34,69,449

vi) (Income)/ Expense recognized in the Profit and Loss Statement	Compensated Absences		Gratuity	
	2021	2020	2021	2020
Current Service Cost	13,21,407	13,28,491	59,16,272	49,94,681
Interest Cost	3,14,826	3,50,502	21,68,643	21,96,597
Actuarial (gain)/ loss recognized for the period	(5,90,070)	(21,88,648)	59,23,962	(69,73,590)
Expected return on plan assets	-	-	(5,25,782)	(5,31,751)
(Income)/ Expenses recognized in the Profit and Loss Statement	10,46,163	(5,09,655)	1,34,83,095	(3,14,063)



vii) History of defined benefit obligation, plan assets and experience adjustments over 5 years- Gratuity					
	2021	2020	2019	2018	2017
Present value of obligation at the year end	3,74,28,216	3,09,80,621	3,13,79,956	2,44,22,113	2,06,39,759
Fair value of plan assets at end of the year	60,65,871	75,11,172	75,96,444	83,88,472	82,36,807
Funded status- (deficit)/ surplus	(3,13,62,345)	(2,34,69,449)	(2,37,83,512)	(1,60,33,641)	(1,24,02,952)
Experience adjustments on plan liabilities	58,73,852	(67,39,078)	9,71,684	(10,88,739)	(2,61,370)
Experience adjustments on plan assets	(50,110)	(22,331)	(28,420)	(3,213)	27,955

The above disclosures are based on information certified by the independent actuary and relied upon by auditors.

32 Segment Reporting

The Company operates predominantly in one business segment of Electronics Manufacturing Services and accordingly primary reporting disclosures for business segment, as envisaged in Accounting Standard (AS) 17 on Segment Reporting, are not applicable.

During the year, the Company has eleven manufacturing facilities in India and two service facilities operate predominantly in India and export market and accordingly the secondary reporting disclosures is made for geographical segments, as envisaged in " AS-17 ".

Sales:

Geographic Segment	31.03.2021	31.03.2020
Outside India	75,12,16,582	63,38,33,295
In India	3,17,67,71,763	2,96,95,74,594
Total	3,92,79,88,345	3,60,34,07,889

All material assets are located in India and export proceeds are also realisable in India. Hence no separate disclosure of segment assets and segment liabilities are given.

33 Related Party Disclosures

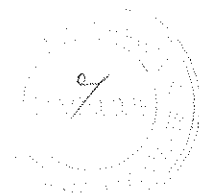
Disclosure in respect of material transactions with associated parties as required by Accounting Standard (AS) 18 "Related Party Transactions"

[A.] Related Parties and their Relationship with the Company

Ref	Description of relationship	Names of Related parties
[1.]	<i>Subsidiary Companies:</i>	Kaynes Embedded Systems Private Limited (Defunct) Kemsys Technologies Private Limited Kaynes Technology Europe GmbH Kaynes International Design & Manufacturing Private Limited
[2.]	<i>Entity Controlled by Directors:</i>	Kaynes Interconnection Systems India Private Limited Kaynes Technology Inc. Kemsys Technologies Inc. Kaynes Circuits Private Limited Kaynes Electro-Plast Private Limited Mysore ESDM Cluster Wendorhub Solutions Private Limited Cheyyur Real Estates Private Limited Cheyyur Properties Private Limited Nambi Reality Private Limited
[3.]	<i>Entity where relative of Directors have substantial interest</i>	A ID Systems (India) Private Limited
[4.]	<i>Key Management Personnel:</i>	
	Mr. Ramesh Kunhikannan	Managing Director
	Ms. Savitha Ramesh	Whole Time Director
	Mr. Jairam Paravasthu Sampath	Whole Time Director
	Mr. Satheesh Kumar Gopa Kumar	Whole Time Director [From 03.03.2021]
[5.]	<i>Relatives of KMP's:</i>	Ms. Premita Ramesh Mr. Govind Shasiprasad Menokee

[B.] Transactions with Related Parties

Transactions / Balances	Subsidiaries / Associates	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
<i>[i.] Loans and Advances given to:</i>				
Kaynes Embedded Systems Private Limited	- (87,000)	- (-)	- (-)	- (-)
Kemsys Technologies Private Limited	6,46,75,524 (-)	- (-)	- (-)	- (-)
<i>[ii.] Loans and Advances repaid by:</i>				
Kemsys Technologies Private Limited	1,09,00,000 (-)	- (-)	- (-)	- (-)
<i>[iii.] Services Received from:</i>				
Kemsys Technologies Private Limited	55,01,782 (-)	- (-)	- (-)	- (-)
Kaynes Interconnection Systems India Private Limited	- (-)	35,33,727 (1,40,076)	- (-)	- (-)
<i>[iv.] Commission paid:</i>				
Kaynes Technology Europe GMBH	1,71,11,580 (1,31,26,371)	- (-)	- (-)	- (-)



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
 NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

[v.] Received towards Marketing, Distribution, Administration, Management & Other Support Services

Kaynes International Design & Manufacturing Private Limited	4,54,92,969	-	-	-
	(2,48,83,940)	(-)	(-)	(-)

[vi.] Interest on loan advanced

Kemsys Technologies Private Limited	59,33,187	-	-	-
	(31,36,978)	(-)	(-)	(-)

[vii.] Purchases:

(a) Purchase of Material

Kemsys Technologies Private Limited	6,87,600	-	-	-
	(21,67,370)	(-)	(-)	(-)

Kaynes Interconnection Systems India Private Limited	-	1,65,12,314	-	-
	(-)	(1,02,07,157)	(-)	(-)

(b) Purchase of Property

Savitha Ramesh	-	-	-	-
	(-)	(-)	(1,36,32,220)	(-)

[viii.] Sale of material:

Kemsys Technologies Private Limited	1,06,68,129	-	-	-
	(69,41,148)	(-)	(-)	(-)

Kaynes Interconnection Systems India Private Limited	-	1,62,56,286	-	-
	(-)	(41,38,383)	(-)	(-)

Kaynes International Design & Manufacturing Private Limited	1,08,63,714	-	-	-
	(6,82,24,551)	(-)	(-)	(-)

[ix.] Services Rendered:

Kaynes Technology Inc.	(-)	1,18,44,991	(-)	(-)
	(-)	(-)	(-)	(-)

[x.] Remuneration and Commission:

Mr. Ramesh Kunhikannan	-	-	1,45,54,391	-
-Remuneration	(-)	(-)	(68,16,000)	(-)

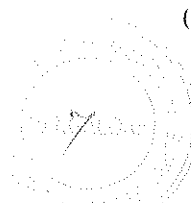
Ms. Savitha Ramesh	-	-	1,45,54,391	-
-Remuneration	(-)	(-)	(68,16,000)	(-)

Mr. Jairam Paravasthu Sampath	-	-	43,83,656	-
	(-)	(-)	(48,00,000)	(-)

Mr. Satheesh Kumar Gopa Kumar	-	-	16,83,871	-
	(-)	(-)	(-)	(-)

Ms. Premita Ramesh	-	-	-	15,98,871
	(-)	(-)	(-)	(19,50,000)

Mr. Govind Shasiprasad Menoos	-	-	-	31,97,742
	(-)	(-)	(-)	(30,00,000)



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

<i>[xi.] Transaction in current account (net)</i>				
Mr. Ramesh Kunhikannan	-	-	35,62,160	-
	(-)	(-)	(33,66,611)	(-)
Ms. Savitha Ramesh	-	-	41,80,640	-
	(-)	(-)	(62,41,735)	(-)
Kaynes International Design & manufacturing Private Limited	2,68,59,517			
	(-)	(-)	(-)	(-)

[C.] Balances with Related Parties

Balances	Subsidiaries	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
<i>[i.] Loans and Advances</i>				
Kemsys Technologies Private Limited (Including Interest Receivable)	10,70,89,879 (4,78,26,155)	- (-)	- (-)	- (-)
Kaynes Embedded Systems Private Limited	37,91,722 (37,91,722)	- (-)	- (-)	- (-)
Kaynes Interconnection Systems India Private Limited	- (-)	40,44,746 (1,64,25,765)	- (-)	- (-)
Kaynes Technology Europe GMBH	- (65,91,600)	- (-)	- (-)	- (-)

[ii.] Loans and Advances Received

[iii.] Investments:

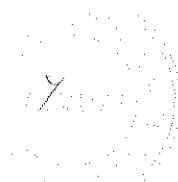
Kaynes Technology Europe GMBH	92,41,162 (92,41,162)	- (-)	- (-)	- (-)
Kemsys Technologies Private Limited	50,00,000 (50,00,000)	- (-)	- (-)	- (-)
Kaynes Embedded Systems Private Limited	30,00,000 (30,00,000)	- (-)	- (-)	- (-)
Kaynes International Design & manufacturing Private Limited	14,99,900 (14,99,900)	- (-)	- (-)	- (-)

[iv.] Payable

Kaynes Technology Europe GMBH	- (11,44,068)	- (-)	- (-)	- (-)
Kemsys Technologies Private Limited	11,33,390 (-)	- (-)	- (-)	- (-)

[v.] Sale of materials Receivable:

Kemsys Technologies Private Limited	2,29,81,055 (1,42,84,230)	- (-)	- (-)	- (-)
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KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

[v.] Services Rendered Receivable:

Kaynes Technology Inc.	(-)	57,99,833	(-)	(-)
	(-)	(-)	(-)	(-)

[vi.] Advance towards supply of material:

Kemsys Technologies Private Limited	(97,39,628)	(-)	(-)	(-)
Kaynes International Design & Manufacturing Private Limited	2,87,00,378	(98,75,658)	(-)	(-)

[vii.] Amount Receivable from/ Due to directors:

Mr. Ramesh Kannan (Dr. Balance)	(-)	(-)	71,24,321	(-)
	(-)	(-)	(1,06,86,482)	(-)
Ms. Savitha Ramesh (Dr. Balance)	(-)	(-)	83,61,278	(-)
	(-)	(-)	(1,25,41,917)	(-)
Mr. Jairam Paravasthu Sampath (Cr. Balance)	(-)	(-)	(1,06,516)	(-)
	(-)	(-)	(561)	(-)

[viii.] Salaries payable

Mr. Ramesh Kunhikannan	(-)	(-)	2,68,149	(-)
	(-)	(-)	(6,50,800)	(-)
Ms. Savitha Ramesh	(-)	(-)	3,84,230	(-)
	(-)	(-)	(3,30,800)	(-)
Mr. Jairam Paravasthu Sampath	(-)	(-)	2,92,612	(-)
	(-)	(-)	(3,36,800)	(-)
Mr. Satheesh Kumar Gopa Kumar	(-)	(-)	3,62,112	(-)
	(-)	(-)	(-)	(-)
Ms. Premita Ramesh	(-)	(-)	(-)	1,20,612
	(-)	(-)	(-)	(80,800)
Mr. Govind Shasiprasad Menokee	(-)	(-)	(-)	2,23,812
	(-)	(-)	(-)	(-)

[ix.] Balance in current account:

Ms. Savitha Ramesh (Cr. Balance)	(-)	(-)	(27,257)	(-)
	(-)	(-)	(24,23,354)	(-)

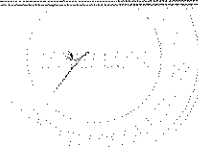
[Note.]

1. Numbers in Parentheses represent previous year number.

34 Operating Lease:

Company has entered into operating leases in respect of office/factory buildings some of which are effectively non cancellable.

Particulars	31.03.2021	31.03.2020
Due not later than one year	89,01,858	95,09,520
Due later than one year and not later than five years	1,11,81,439	95,09,520
Due later than five years	-	-
Total	2,00,83,297	1,90,19,040



35

(a) Research & Development

The company has a full fledged Research and Development Division which is was approved by Department of Science & Industrial Research (DSIR) of the Ministry of Science & Technology, Government of India for the period upto 31.03.2020. The company carried on the Research & Development activity in the current year also. The details of Expenditure incurred, recoveries made and amounts transferred to Intangible assets ₹ 7,16,17,770/- (PY : ₹ 88,14,713/-) and to Intangible assets under development ₹. 7,18,75,210/- (PY : ₹. 3,58,55,303/-) on completion of successful research are given in Note No 25 above.

The company has also carried out separate Research & Development work for an ERP Software outside the Research & Development Division and a sum of ₹ 1,57,07,218/- (PY : ₹ 83,72,310/-) including 73,34,908/- (PY : 83,72,310/-) incurred on this during the year, is also included in intangible assets under development (Refer Note No: 11(iii))

(b) Global Innovation & Technology Alliance

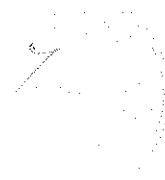
During the previous year the company entered into an agreement with Global Innovation & Technology Alliance (GITA), a not for profit company set up to technically and administratively manage industrial research and development programme of India with other countries to support Indian industry to gain economic competitiveness, for carrying out development of high power amplifier for use in low/mid field MRI Application under India Canada collaborative industrial research and development programme. In terms of this the company was sanctioned a sum of ₹. 1,50,00,000/- as conditional grant subject to certain terms and conditions including payment of royalty on sale of products that are developed under this agreement for a period of five years at rates to be agreed upon but not less than 2% of the sale value commencing from a date to be decided by GITA which shall be after six months from the date of successful completion of the development of the product.

The company's claim against this has been approved for ₹. 46,44,549/- including ₹. 3,99,840/- towards cost of an equipment which was sanctioned before 31-03-2020 and a sum of ₹. 10,56,000/- was received in that year and the balance was received during the year. The amount received has been netted off against the cost of the asset and balance sum of ₹. 42,44,709/- has been disclosed as a recovery against R & D costs in the previous year. The project is in progress and management is hopeful of completing the project fully and claiming the balance amount also in future as the project is delayed due to Covid-19.

No provision for royalty is made as it is to be paid out of income to be earned out of sale of products on completion of the project.

36 Foreign exchange exposures not hedged by derivative instruments

Particulars	31.03.2021		31.03.2020	
	FC	Amount (₹)	FC	Amount (₹)
<i>Payables :</i>				
EURO	1,36,193	1,18,21,215	1,59,448	1,32,34,184
GBP	1,76,036	1,79,48,584	1,02,941	85,42,044
JPY	2,02,50,875	1,35,70,618	15,74,212	10,98,643
USD	63,39,764	46,91,90,063	49,90,798	37,43,09,850
<i>Receivables :</i>				
EURO	9,47,966	8,07,76,218	6,13,408	4,67,61,015
GBP	5,36,972	5,36,00,538	3,55,947	3,09,34,218
USD	21,40,303	15,62,20,749	14,65,904	10,11,15,189
<i>Loan and Advances :</i>				
EURO	54,015	46,98,009	4,84,992	4,02,54,336
GBP	1,39,266	1,42,50,873	90,598	75,17,822
JPY	37,10,178	24,86,283	1,29,11,617	90,11,018
USD	20,62,188	15,31,16,874	11,84,323	8,88,24,225



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
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37 Earnings Per Share

Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share"

Particulars	31.03.2021	31.03.2020
Basic :		
Opening number of shares	67,99,992	67,99,992
Total shares outstanding	68,00,002	67,99,992
Profit after tax, before preference dividend (₹)	8,26,01,495	11,34,46,963
Preference Dividend	1,09,685	-
Profit after tax, after preference dividend (₹)	8,24,91,810	11,34,46,963
EPS before preference dividend (₹ per share)	12.15	16.68
EPS after preference dividend (₹ per share)	12.13	16.68
Diluted :		
No. of equity shares on conversion of preference shares	7,34,393	-
Total shares outstanding including dilution	71,99,946	67,99,992
EPS after tax (₹ per share)	11.47	16.68
Reconciliation of basic and diluted shares used in computing EPS :		
Number of shares considered as basic weighted average shares outstanding	68,00,000	67,99,992
Add: Effect of diluted equity shares relating to CCPS issued during the year	3,99,946	-
Number of shares considered as diluted weighted average shares outstanding	71,99,946	67,99,992
Nominal value per share (₹)	10	10

38 Production, stock and sales

[A.] Raw materials consumption: [Bare Printed Circuit Boards' (PCB's) , Integrated Circuits (IC's), etc.]

Particulars	31.03.2021		31.03.2020	
	Quantity (No's)	Value	Quantity (No's)	Value
Integrated Circuits	1,74,05,415	68,53,14,047	1,84,05,503	69,00,76,730
Printed Circuit Boards	1,12,14,474	31,87,15,781	1,00,70,656	33,33,99,073
Other Components (individually less than 10% of total consumption)	49,15,22,159	1,64,70,94,464	49,10,59,740	1,53,38,67,159
Total	52,01,42,048	2,65,11,24,293	51,95,35,899	2,55,73,42,962

Particulars	Value		Percentage (%)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Imported	1,69,71,92,155	1,52,34,86,533	64%	60%
Indigenous	95,39,32,138	1,03,38,56,429	36%	40%
Total	2,65,11,24,293	2,55,73,42,962	100%	100%

[B.] Stock of finished goods

Particulars	Finished Goods	
	31.03.2021	31.03.2020
Manufactured goods	14,02,20,723	18,87,13,029
Total	14,02,20,723	18,87,13,029

* The company has only one major product i.e. Populated PCBs. Hence no category wise break-up is given.

39 CIF Value of Imports

Particulars	Value	
	31.03.2021	31.03.2020
Raw Materials	1,76,86,11,674	1,54,87,89,485
Components & Spare parts	48,30,887	46,91,156
Capital Goods	46,85,166	18,75,319

40 Earnings in Foreign Currency

Particulars	Value	
	31.03.2021	31.03.2020
Earnings in Foreign Currency - Export of goods (FOB)	75,12,16,582	63,38,33,295

41 Expenditure in Foreign Currency

Particulars	Value	
	31.03.2021	31.03.2020
Commission	1,71,11,580	1,31,26,371
Travel	-	3,03,431
Advertisement & Business Promotion	-	5,46,084
Legal & Professional charges	2,26,084	-

42 Corporate Social Responsibility:

[i.] Pursuant to section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are promoting education, rendering help at the time of natural calamities, and helping under privileged people etc. which are in compliance with Schedule VII of Companies Act, 2013.

[ii.] The details of amounts spent during the year and remaining unspent on CSR project are as below:

Particulars	Amount [₹.]	
	31.03.2021	31.03.2020
<i>Amount spent for eligible CSR projects :</i>		
Gross Amount required to be spent by the company during the year	33,18,589	30,39,202
Budget allocated by the Board during the year	33,18,589	30,44,894
Amount Spent during the year	29,20,171	31,05,898
Cumulative amount Unspent *	3,98,418	-

* An amount of ₹

43 The outbreak of COVID-19 had resulted in the Government of India undertaking drastic measures for containment of the disease. In view of these measures, the operations at the manufacturing units of the company was fully shutdown from March, 23 2020. The company was able to resume limited operations at some of its manufacturing units during April, 2020. The company was able to achieve almost normal level of operations from 11th May, 2020 consequent to further relaxations from the Government Authorities and has since achieved capacity utilisation at near normal levels. Although subsequent lockdown announced in April 2021 also affected its operation, the impact was significantly lower.

Consequent to the slowdown with freight forwarder / customs department etc., the company was not able to despatch goods manufactured and kept ready and appropriated against confirmed orders and invoiced to customers to the extent of ₹ 8,98,12,862/-. In the previous year also such dispatches were affected due to sudden lockdown to the extent of ₹ 1,18,49,304/- although the same were invoiced and recognised as sales. These have been since accepted by the customers.

The incremental costs incurred by the company to adhere to the standard operating procedures notified by the Government / Authorities for operating its facilities were not significant.

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

The global spread of COVID-19 has led to an uncertain business environment including its ability to pursue recovery of its advances and using the accumulated stocks. The management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of various assets including investments (net of impairment loss) in subsidiaries and loans and advances given to subsidiaries and other parties after taking into account various internal and external information including for settlement of liabilities upto the date of approval of these financial statements and have concluded that they are fully recoverable based on the expected future performance of the Company and its subsidiaries on a net basis. The Company has also assessed various scenarios and assumptions and based on the current estimates, the management of the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2021, net of provisions made are fully recoverable and that no further provision is required. The business of the company has improved substantially from June 2021.

Considering the present liquidity position of the company and its ability to raise funds, if required, and its order book position the management of the company does not foresee any adverse impact on its ability to continue as a going concern and in meeting its liabilities as and when they fall due.

The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature as well as its duration and the management will continue to monitor any events/ changes to future economic conditions. Accordingly, the final impact may be different from that estimated as at the date of approval of these financial statements.


- 44 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

(Signatures to all significant notes forming part of Financial Statements)

For and on behalf of the Board of Directors of
Kaynes Technology India Private Limited
CIN: U29128KA2008PTC045825

As per our report of the even date attached


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jairam P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Srividhya
Company Secretary


Cherian K Baby
Partner
M. No.016043

Place: Mysore
Date: 24/10/2021

Place: Mysore
Date: 24/10/2021



Place: Bangalore
Date: 24/10/2021