

K. P. RAO
H.N. ANIL
MOHAN R LAVI

K. VISWANATH
S. PRASHANTH
P. RAVINDRANATH

Phone : 080 - 25587385 / 25586814
Fax : 080 - 25594661
E-mail : info@kprao.co.in

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED
FINANCIAL INFORMATION**

To

The Board of Directors

Kaynes Technology India Limited

(Formerly known as Kaynes Technology India Private Limited)

23-25, Belagola, Food Industrial Estate

Metagalli P.O., Mysore- 570016

Karnataka, India

Dear Sirs,

- 1) We, K. P. Rao & Co, Chartered Accountants have examined the attached Restated Consolidated Financial Information of Kaynes Technology India Limited (formerly known as Kaynes Technology India Private Limited) (the "Company" or the "Holding Company") and its subsidiaries (the Company and its subsidiaries - are together referred to as the "Group" as listed in Annexure 1), comprising the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the three months period ended June 30, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 17 2022 for the purpose of inclusion in the red herring prospectus ("RHP") and the Prospectus prepared by the Company in connection with its proposed initial public offering ("IPO") of equity shares of face value of ₹ 10 of the Company ("Offering").

The Restated Consolidated Financial Information has been prepared in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
- E-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the "SEBI E-mail").

Management's Responsibility for the Restated Financial Information

- 2) The management of the Company is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with the Securities and Exchange Board of India ("SEBI"), the National Stock Exchange of India Limited

Branches

Hyderabad : 3rd Floor, D1, 6-3-652, Kautilya, Somajiguda, Hyderabad - 500 082. Ph.: 040-23322310

Mysore : 74, 2nd Main, First Stage, Vijayanagar, Mysore - 570 017. Ph.: 0821-4271908

Chennai : Flat 2-A, Second Floor, Shruthi 3/7, 8th Cross Street, Shastrinagar, Adayar, Chennai - 600 020. Ph.: 044- 24903137 / 45511564



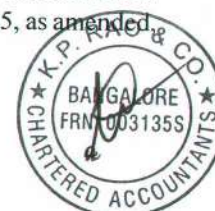
("NSE") and the BSE Limited ("BSE" and collectively with NSE referred as the 'Stock Exchanges') and the Registrar of the Companies, Karnataka at Bangalore ("RoC") in connection with the proposed IPO . The Restated Consolidated Financial Information has been prepared by the management of the Company on the Basis of Preparation as stated in Note 1 to the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group has a responsibility which includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management of the Company is also responsible for identifying and ensuring that the Group complies with the Act, SEBI ICDR Regulations, Guidance Note and the SEBI E-mail.

Auditors Responsibility

- 3) We have examined the Restated Consolidated Financial Information taking into consideration:
- The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 15, 2021, in connection with the proposed IPO of equity shares of the Company;
 - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations, the Guidance Note, the SEBI E-mail and the aforesaid directions in connection with the IPO.

- 4) These Restated Consolidated Financial Information have been compiled by the management of the Company from:
- Audited special purpose interim IND AS consolidated financial statements of the Group as at and for the three month period ended 30 June 2022 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (the "**Special Purpose Interim Consolidated Ind AS Financial Statements**") which have been approved by the Board of Directors at their meeting held on September 17, 2022 and
 - Audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2022 prepared by the management in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "**2022 Consolidated Ind AS Financial Statements**"), which has been approved by the Board of Directors at their meeting held on May 20, 2022
 - Audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2021 prepared by the management in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended,



and other accounting principles generally accepted in India (the “**2021 Special Purpose Consolidated Ind AS Financial Statements**”), which has been approved by the Board of Directors at their meeting held on April 04, 2022; and

- d. Audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2020 prepared by the management in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the “**2020 Special Purpose Consolidated Ind AS Financial Statements**”), which has been approved by the Board of Directors at their meeting held on April 04, 2022.
5. For the purpose of our examination, we have relied on:
- a. Auditors’ report issued by us dated September 17, 2022, on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as referred in Paragraph 4 (a) above;
- b. Auditor’s report issued by us dated May 20, 2022, on the 2022 Consolidated Ind AS Financial Statements of the Group, as referred in Para 4 (b) above;
- c. Auditor’s report issued by us dated April 04, 2022, on the 2021 Special Purpose Consolidated Ind AS Financial Statements of the Group, as referred in Para 4 (c) above;
- d. Auditor’s report issued by us dated April 04, 2022, on the 2020 Special Purpose Consolidated Ind AS Financial Statements of the Group, as referred in Para 4 (d) above
- e. As informed to us by the management, M/s. Varma & Varma, Chartered Accountants (“**Previous Auditor**”) completed their tenure as Auditors as per Section 139(2) of The Companies Act, 2013. Accordingly, in accordance with SEBI ICDR Regulations and the Guidance Note, and the SEBI E-mail, as shared with us subsequently, we have audited the financial statements for the year ended March 31, 2021 and March 31, 2020, as referred in Para 4(c) and 4(d) above and issued our special purpose IND AS audit reports thereon.
- f. We did not audit the financial statements / financial information of the subsidiaries for Fiscal 2020 and Fiscal 2021 whose share of total assets, total revenues, net worth, net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant periods/years is tabulated below. The financial statements of Kemsys Technologies Private Limited, Kaynes International Design & Manufacturing Private Limited, Kaynes Embedded Systems Private Limited and Kaynes Electronics Manufacturing Private Limited for the year ended 31st March 2022 and the quarter ended 30th June 2022 have been audited by us. The financial statements of Kaynes Technology Europe GMBH for Fiscal 2020, 2021 and 2022 and for the three months ended June 30, 2022 were prepared in accordance with accounting principles generally accepted in its jurisdiction and the financial statements of the Indian subsidiaries were prepared as per Indian GAAP. The Company’s management has converted the financial statements of Kaynes Technology Europe GMBH from the accounting principles generally accepted in that country and the converted the financial statements of the Indian subsidiaries from Indian GAAP to Ind AS and we have audited such conversion adjustments. We have been informed that as per local regulations, the financial statements of Kaynes Technology Europe GMBH are not required to be audited. The financial statements of Kaynes Technology Europe GMBH are not material to the consolidated financial statements of Kaynes Technology India Limited.



- 6) As indicated in our audit reports referred above, please find below the details of our subsidiary financials

(Rs. in millions)

Name of the Company	Nature of the relationship	Year / quarter Ended	Total assets	Net worth	Total revenues	Net cash inflow/ (outflows)
Kemsys Technologies Private Limited	Subsidiary	June 30, 2022	140.20	(84.48)	6.13	(2.41)
		March 31, 2022	144.49	(68.59)	48.61	(0.21)
		March 31, 2021	108.54	(45.37)	43.46	2.28
		March 31, 2020	103.11	(25.84)	69.11	(3.51)
Kaynes International Design & Manufacturing Private Limited	Subsidiary	June 30 2022	229.37	63.51	69.77	2.37
		March 31, 2022	211.84	62.13	336.02	0.06
		March 31, 2021	189.34	40.80	323.64	(3.36)
		March 31, 2020	85.37	7.87	112.70	4.13
Kaynes Embedded Systems Private Limited	Subsidiary	June 30 2022	0.20	0.10	-	0.30
		March 31, 2022	-	-	0.03	-
		March 31, 2021	-	-	0.03	-
		March 31, 2020	-	-	3.79	-
Kaynes Electronics Manufacturing Private Limited	Subsidiary	June 30 2022	0.1	0.1	-	-
		March 31, 2022	-	-	-	-
		March 31, 2021	NA	NA	NA	NA
		March 31, 2020	NA	NA	NA	NA
Kaynes Technology Europe GMBH	Subsidiary	June 30 2022	23.11	21.47	3.97	-
		March 31, 2022	22.76	21.11	15.36	-
		March 31, 2021	19.41	17.48	16.42	-
		March 31, 2020	17.61	13.06	8.62	-



- 7) We report that:
- the Restated Consolidated Financial Information has been prepared after incorporating adjustments for the changes in accounting policies, any material errors, and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended June 30, 2022, as more fully described in Note 1 of Annexure V to the Restated Consolidated Financial Information;
 - there are no qualifications in the auditor's reports which require any adjustments to the Restated Consolidated Financial Information; and
 - the Restated Consolidated Financial Information has been prepared in accordance with the Act, the SEBI ICDR Regulations, Guidance Note and the SEBI E-mail.
- 8) The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated financial statement and special purpose consolidated financial statements mentioned in paragraph [5] above.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10) Our report is intended solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with SEBI, Stock Exchanges and RoC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with prior intimation. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **K. P. Rao & Co**
Chartered Accountants
Firm Registration No: 003135S


Mohan R Lavi
Partner

Membership Number: 029340
UDIN:22029340BAFQDH3945



Place: Mysore

Date: 17 September 2022

Annexure 1:

List of entities included in the Restated Consolidated Ind AS Financial Statements for the period/year ended June 30, 2022, March 31, 2022, March 31, 2021, and March 31, 2020.

Subsidiaries:

1. Kemsys Technology Private limited
2. Kaynes International Design and Manufacturing Private Limited
3. Kaynes Embedded Private Limited
4. Kaynes Technology Europe GMBH
5. Kaynes Electronics Manufacturing Private Limited (commencing from the period 30th March 2022)

