



INDEPENDENT AUDITOR'S REPORT

To The Members of Kaynes Embedded Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Kaynes Embedded Systems Private Limited** which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2022, and its profit and the total comprehensive income, the cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Management is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, of the company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified





under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there no key audit matters to be reported for the Financial Year 2021-22.

Auditor's Responsibility for the audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.





The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 and Board of Directors 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 disclosure 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".





- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 24 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- vii. The company has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.



M.SIVAKUMAR,

Chartered Accountant

"Sree Mahalakshmi Mandiram", 1105, Geetha Road,
Chamarajapuram, Mysore – 570 005.

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- j. The provisions of section 197 of the Act does not apply to the Company, hence reporting under Section 143(3)(g) is not required.

For M Sivakumar

Chartered Accountant

M Sivakumar

Proprietor

Membership No. 021602

UDIN: 22021602ANGJZQ6833

Place: Mysuru

Date: 21st May 2022

M. SIVAKUMAR
CHARTERED ACCOUNTANT
M.No. 021602
'A.K.Krishnamoorthy Sree Mahalakshmi Mandiram'
1105, Geetha Road, Chamarajapuram
MYSORE-570 005



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

- i.
 - a.
 - A. The company has maintained showing proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - B. the company has maintained proper records showing full particulars of intangible assets;
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management during the year.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable disclosed in the financial statements are held in the name of the Company.
 - d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.
 - e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate; No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. Accordingly, clause ii(b) of the Order is not applicable
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.





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- a. A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has no subsidiary. Accordingly, clause iii(a)(A) of the Order is not applicable
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to a party other than subsidiaries.
- b. According to the information and explanations given to us and based on the audit procedures conducted by us, company has not granted any loan.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loan.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loan.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given by the company during the year.
- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable
- vii.
- a. The company has been regular in depositing undisputed statutory dues including Income Tax, Cess and other statutory dues with the appropriate authorities during the year.
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- b. According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.





- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix.
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not taken any loan from banks, financial institutions. Accordingly, paragraph 3 (ix)(a) of the Order is not applicable.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared wilful defaulter by any bank or financial institution or other lender.
 - c. According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained
 - d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
 - e. According to the information and explanations given to us and procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f. According to the information and explanations given to us and procedures performed by us, the company has not made any investments. Accordingly, paragraph 3 (ix)(f) of the Order is not applicable.
- x.
- a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
 - b. Based on examination of the books and records of the Company and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- xi.
- a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c. As represented to us by the Management, there are no whistle-blower complaints received by the company during the year.





- xii. According to the information and explanations given to us, the company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv.
- a. The company has internal audit system commensurate with the size and nature of its business.
 - b. The company is not required to obtain internal audit reports. Accordingly, paragraph 3(xiv)(b) of the Order is not applicable
- xv. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi.
- a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
 - b. The Company is not a Non-Banking Financial or Housing Finance activities as defined in regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
 - c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly the provisions of Para 3(xvi)(c) is not applicable.
 - d. As per the information and explanations given to us, there are no Core Investment Companies as part of the Group. Accordingly the provisions of Para 3(xvi)(d) is not applicable.
- xvii. The Company has incurred cash losses in the financial year and in the immediately preceding financial year. (To be changed)

Particulars	FY 2021-22	FY 2020-21
Net profit	-	-
Depreciation	-	-
Cash loss	-	-

- xviii. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither



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give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xix. In our opinion and according to the information and explanations given to us, the Company is not required to spend on CSR activities. Accordingly the clause 3(xx) is not applicable.

xx. Consolidation of financial statements is not applicable, hence clause 3(xxi) is not applicable.

For M Sivakumar

Chartered Accountant

M.Sivakumar

Proprietor

Membership No. 021602

UDIN: 22021602ANGJZQ6833

Place: Mysuru

Date: 21st May 2022

M. SIVAKUMAR
CHARTERED ACCOUNTANT
M.No. 021602
'A.K.Krishnamoorthy Sree Mahalakshmi Mandiram'
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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL

STATEMENTS

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

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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 of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be completely and appropriately documented.

Management's Responsibility for Internal Financial Controls

The management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the Companies Act, 2013 ('the Act').

Auditor's 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 and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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



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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

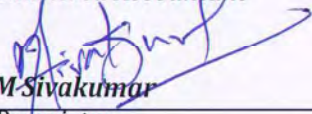
A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. This includes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

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- iii) 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.

For **M Sivakumar**
Chartered Accountant


M.Sivakumar
Proprietor

Membership No. 021602

UDIN: 22021602ANGJZQ6833

Place: Mysuru

Date: 21st May 2022

M. SIVAKUMAR
CHARTERED ACCOUNTANT
M.No. 021602
'A.K.Krishnamoorthy Sree Mahalakshmi Mandiram'
1105, Geetha Road, Chamarajapuram
MYSORE-570 005

Kaynes Embedded Systems Private Limited
 CIN No: U72200KA2009PTC051856
 Standalone Balance Sheet
 (All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
CURRENT ASSETS			
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	3 (a)	5.00	5.00
Other Equity	3 (b)	(5.00)	(5.00)
Total Equity		-	-
LIABILITIES			
NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Total Liabilities		-	-
TOTAL EQUITY AND LIABILITIES		-	-
Significant accounting policies and notes to financial statements	1 to 2		

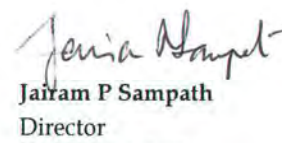
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
 For M Sivakumar
 Chartered Accountant

For and on behalf of the board of directors of
 Kaynes Embedded Systems Private Limited


 M Sivakumar
 Proprietor
 Membership No.021602


 Ramesh Kunhikannan
 Director
 (DIN: 02063167)


 Jairam P Sampath
 Director
 (DIN: 08064368)

Place: Mysuru
 Date: 21.05.2022

Place: Mysuru
 Date: 21.05.2022

M. SIVAKUMAR
 CHARTERED ACCOUNTANT
 M.No. 021602
 'A.K.Krishnamoorthy Sree Mahalakshmi Mandiram'
 1105, Geetha Road, Chamaraajapuram
 MYSORE-570 005

Kaynes Embedded Systems Private Limited
CIN No: U72200KA2009PTC051856
Standalone Statement of Profit and Loss
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Other Income	5	0.03	0.03
Total Income (A)		0.03	0.03
Expenses			
Other Expenses	6	0.03	0.03
Total Expenses (B)		0.03	0.03
Profit / (Loss) before tax (A-B)=C		-	-
Tax Expenses		-	-
Profit / (Loss) for the year (C - D)=E		-	-
Earnings per share (nominal value of Rs. 10 each)			
Basic	8	-	-
Diluted		-	-
Significant accounting policies and notes to financial statement	1 to 2		

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

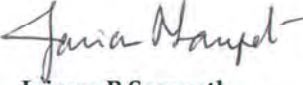
As per our report of even date

For **M Sivakumar**
Chartered Accountant

For and on behalf of the board of directors of
Kaynes Embedded Systems Private Limited


M Sivakumar
Proprietor
Membership No.021602


Ramesh Kunhikannan
Director
(DIN: 02063167)


Jairam P Sampath
Director
(DIN: 08064368)

Place: Mysuru
Date: 21.05.2022

Place: Mysuru
Date: 21.05.2022

M. SIVAKUMAR
CHARTERED ACCOUNTANT
M. NO. 021602

'A.K.Krishnamoorthy Sree Mahalakshmi Mandiram'
1105, Geetha Road, Chamarajapuram
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Kaynes Embedded Systems Private Limited
CIN No: U72200KA2009PTC051856
Standalone Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Net profit before extraordinary items and tax	-	-
Adjustments for :		
Depreciation and Amortisation Expense	-	-
Operating profit before working capital changes, extraordinary items	-	-
Adjustments for:		
Increase/(Decrease) in Trade payable and other liabilities	-	-
Cash Generated (used in) / From Operations	-	-
Income tax Received / (Paid)	-	-
Net Cash from Operating Activities (A)	-	-
B. Cash Flow from Investing Activities	-	-
C. Net Cash from/(used) in Financing Activities	-	-
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	-	-
Cash and cash equivalents as on April 01	-	-
Cash and cash equivalents as on March 31	-	-

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Significant accounting policies and notes to financial statement

1 to 2

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

As per our report of even date

For M Sivakumar
Chartered Accountant

For and on behalf of the board of directors of
Kaynes Embedded Systems Private Limited

M Sivakumar
Proprietor
Membership No.021602

Ramesh Kunhikannan
Director
(DIN: 02063167)

Jairam P Sampath
Director
(DIN: 08064368)

Place: Mysuru
Date: 21.05.2022

Place: Mysuru
Date: 21.05.2022

M. SIVAKUMAR
CHARTERED ACCOUNTANT
M.No. 021602
'A.K. Krishnamoorthy Sree Mahalakshmi Mandiram'
1105, Geetha Road, Chamarajapuram
MYSORE-570 005

Keynes Embedded Systems Private Limited

CIN No: U72200KA2009PTC051856

Standalone Statement of changes in equity

(All amounts are in INR Millions, unless otherwise stated)

A. Equity Share Capital

Particulars	No. of Shares	Amount
As at March 31, 2020	50,000	0.50
Change during the year		-
As at March 31, 2021	50,000	0.50
Change during the year		-
As at March 31, 2022	50,000	0.50

B. Other Equity

For the year ended March 31, 2022

Particulars	Reserves & Surplus	Other Comprehensive Income		Total Other Equity
	Retained earnings	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at April 01, 2021	(5.00)	-	-	(5.00)
Profit for the period	-	-	-	-
As at March 31, 2022	(5.00)	-	-	(5.00)

For the year ended March 31, 2021


Particulars	Reserves & Surplus	Other Comprehensive Income		Total Other Equity
	Retained earnings	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at April 01, 2020	(5.00)	-	-	(5.00)
Profit for the year	-	-	-	-
As at March 31, 2021	(5.00)	-	-	(5.00)

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

As per our report of even date

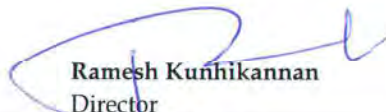
For M Sivakumar
Chartered Accountant

For and on behalf of the board of directors of
Keynes Embedded Systems Private Limited



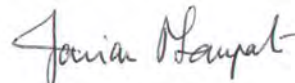
M Sivakumar
Proprietor

Membership No.021602



Ramesh Kunhikannan
Director

(DIN: 02063167)



Jairam P Sampath
Director

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Place: Mysuru

Date: 21.05.2022

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M. SIVAKUMAR
CHARTERED ACCOUNTANT
M.No. 021602
'A.K.Krishnamoorthy Sree Mahalakshmi Mandiram'
1105, Geetha Road, Chamarajapuram
MYSORE-570 005

Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

1 General Information

Kaynes Embedded Systems Private Limited was incorporated on 16th December 2009 with its registered office situated in Mysore, Karnataka as a subsidiary of Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited), Mysore. The company was incorporated with the main objective of carrying on the business of dealing in embedded computer software technology and allied technologies including computer aided design, computer aided manufacturing, computer integrated manufacturing and telecommunications.

The company yet to start its commercial activities.

2 Basis of preparation

These standalone Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Company's financial statements upto and for the year ended 31 March 2021 were prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP"). For the purposes of filing a Draft Red Herring Prospectus with SEBI, the Company transitioned to Ind AS with effect from 01.04.2019. The transition was carried out from Indian GAAP. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 42).

Functional and presentation currency

Items included in these Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone Ind AS financial statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 10,000 have been rounded and are presented as INR 0.00 million in these Ind AS financial statements

Basis of measurement

The Standalone Financial Statements has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations

2.1 Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (b) Held primarily for the purpose of trading,
- (c) Expected to be realised within twelve months after the reporting period, or
- (d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



Notes to the Standalone Financial Statements

Basis of Preparation and Summary of Significant Accounting Policies

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Use of estimates and judgements

The estimates used in the preparation of the Standalone Financial Statements of each year presented are continuously ~~evaluated by the Company and are based on historical experience and various other assumptions and factors (including~~ expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the Standalone Financial Statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 29 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 39 – impairment of financial assets;

2.4 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

Contract balances

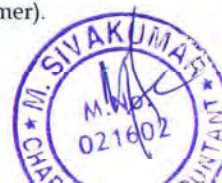
Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (o) Financial instruments below.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments below.

Contract Liability

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

2.5 Other Income

Interest income is recognized on time proportion basis and other income, if any, recognized on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant:

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 asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.6 Employee Benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Provident Fund

This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

c) Gratuity

This is a defined benefit plan. The Company provides for Gratuity covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

d) Leave Encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

2.7 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

2.8 Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

Amortised cost;

Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or

Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at FVOCI: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Other Comprehensive Income.

~~Financial assets at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.~~



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

2.9 Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

- a. the Company has transferred substantially all the risks and rewards of the asset, or
- b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

2.10 Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- (i) Financial assets measured at amortised cost;
- (ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For investments in subsidiary companies, the company does not provide for impairment losses till indicators of impairment are confirmed.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

2.11 Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

2.12 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



Notes to the Standalone Financial Statements

Basis of Preparation and Summary of Significant Accounting Policies

2.13 Property, plant and equipment and intangible assets:

Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 01 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

2.14 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with 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.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

Asset Category	Management estimate of useful life & Useful life as per Schedule II
Land	Unlimited
Buildings	30
Plant & Equipment	15
Furniture & Fittings	10
Office Equipments	5
Electrical Fittings	10
Computers	3
Vehicles	8
Airconditioners	5
Leasehold Improvement	3
Software	5
Technical know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

2.15 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

2.16 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 asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.17 Inventories

Inventories are valued at lower of cost and net realisable 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares, work-in-progress and finished goods is determined on a weighted average basis.

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



Notes to the Standalone Financial Statements

Basis of Preparation and Summary of Significant Accounting Policies

2.18 Leases

The Company has lease contracts for office spaces. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As lessee

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made

at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.11) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

For the arrangements entered into prior 1st April 2018 the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.19 Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.20 Taxes on Income

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment)

Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted to recognize tax expense at the new income tax rate as applicable to the Company



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current tax is recognized in Statement of Profit and Loss except to the extent it relates to items recognized outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognized in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.21 Foreign currencies

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on settlement of monetary items, as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise. These exchange differences are presented in the Statement of Profit and Loss on net basis

2.22 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



Notes to the Standalone Financial Statements
Basis of Preparation and Summary of Significant Accounting Policies

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet.

2.23 Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent Asset

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

2.24 Earnings per share (EPS)

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) 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 period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.25 Segment Reporting

The Company operates predominantly in one business segment of Electronics Manufacturing Services and accordingly primary reporting disclosures for business segment, is not applicable.

2.26 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

2.27 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



A. Share Capital

3 (a) Equity Share Capital

i) Authorised

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at March 31, 2020	50,000	5.00
Increase during the year	-	-
Balance as at March 31, 2021	50,000	0.50
Increase during the year	-	-
Balance as at March 31, 2022	50,000	0.50

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital	
	No of Shares	Amount
As at April 01, 2020	50,000	5.00
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2021	50,000	5.00
Add: Shares issued during the year	-	-
Add: Conversion of Preference shares into equity	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2022	50,000	5.00

iii) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.100 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	As at	As at
	March 31, 2022	March 31, 2021
Kaynes Technology India Private Limited (Holding Company)	30,000	30,000
% of Share holding	60.00%	60.00%
Ramarathinam Ramakrishnan	20,000	20,000
% of Share holding	40.00%	40.00%

Note: For the period of five years immediately preceding March 31, 2022

- (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.
- (iii) No shares were bought back in any of the years.
- (iv) No calls are unpaid by any director or officer of the company during the year.

v) Shareholding of Promoters

Promoter Name	As at	As at
	March 31, 2022	March 31, 2021
Kaynes Technology India Private Limited (Holding Company)		
- No. of Shares held	30,000	30,000
- Percentage of holding	60.00%	60.00%
- Changes during the year	-	-



3 (b) OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
Surplus in the profit and loss statement (refer note i)	(5.00)	(5.00)
	<u>(5.00)</u>	<u>(5.00)</u>

i) Surplus in the profit and loss statement

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	(5.00)	(5.00)
Add: Profit for the year	-	-
As at end of the year	<u>(5.00)</u>	<u>(5.00)</u>

4 Trade payables (At Amortised Cost)

	As at March 31, 2022	As at March 31, 2021
Dues to micro enterprises and small enterprises (refer note 46)	-	-
Dues to Related Party	-	-
Dues to other than micro enterprises and small enterprises	-	-
Total trade payables	<u>-</u>	<u>-</u>

Ageing Schedule

As at March 31, 2022

Outstanding following for periods from due date of payment

Particulars	Outstanding following for periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-				-
Others	-	-	-	-	-
Disputed dues - MSME					
Disputed dues - Others					

As at March 31, 2021

Outstanding following for periods from due date of payment

Particulars	Outstanding following for periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-				-
Others	-	-			-
Disputed dues - MSME					
Disputed dues - Others					



Kaynes Embedded Systems Private Limited
CIN No: U72200KA2009PTC051856
Notes to the Standalone Financial Statements
(All amounts are in INR Millions, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
5 OTHER INCOME		
Liabilities no longer required, written back	0.03	0.03
	0.03	0.03
6 OTHER EXPENSES		
Audit Fees	0.03	0.03
Miscellaneous expenses	-	-
	0.03	0.03



7 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> Holding Company:</i>	Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
[2.]	<i> Fellow Subsidiary Companies:</i>	Kemsys Technologies Private Limited Kaynes Technology Europe GmbH
[3.]	<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 Kaynes Electronics Manufacturing Privatelimited
[4.]	<i> Key Management Personnel:</i>	
	Mr. Ramesh Kunhikannan	Director
	Mr. Jairam Paravasthu Sampath	Director

[B.] Transactions with Related Parties

Name of the related party	Nature of the transaction	As at March 31, 2022	As at March 31, 2021
<i>Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)</i>			
	Purchase of Material	-	-
	Services Received	-	-
	Sale of material	-	-
	Transaction in current account (net)	-	-
	Commission Paid	-	-

[C.] Balances with Related Parties

Name of the related party	Nature of the transaction	As at March 31, 2022	As at March 31, 2021
<i>Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)</i>			
	Advance for Materials/Services	-	-
	Trade Payables	-	-



8 Earnings per share (EPS)

Particulars	As at March 31, 2022	As at March 31, 2021
Earnings		
Profit after tax for the year	-	-
Profit after tax for the year attributable to equity shareholders	-	-
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the end of the year	50,000	50,000
Weighted average number of equity shares For calculating Basic EPS	50,000	50,000
Profit after tax for the year attributable to equity shareholders	-	-
Basic EPS (Rs. per share)	-	-
Diluted :		
Number of shares considered as basic weighted average shares outstanding	50,000	50,000
Earnings per equity share (Face Value INR 10/- per share)		
- Basic	-	-
- Diluted	-	-

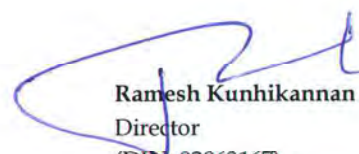
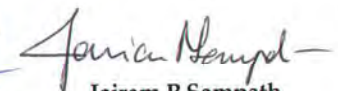
As per our report of even date

As per our report of even date
 For M Sivakumar
 Chartered Accountant


 M Sivakumar
 Proprietor
 Membership No.021602

Place: Mysuru
 Date: 21.05.2022

For and on behalf of the board of directors of
 Kaynes Embedded Systems Private Limited

 
 Ramesh Kunhikannan Jairam P Sampath
 Director Director
 (DIN: 02063167) (DIN: 08064368)

Place: Mysuru
 Date: 21.05.2022

M. SIVAKUMAR
 CHARTERED ACCOUNTANT
 M.No. 021602

'A.K. Krishnamoorthy Sree Mahalakshmi Mandiram'
 # 1105, Geetha Road, Chamarajapuram
 MYSORE-570 005