

**KAYNES TECHNOLOGY
INDIA PRIVATE LIMITED**

**CONSOLIDATED
FINANCIAL STATEMENTS**

**AS AT
31.03.2019**

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Kaynes Technology India Private Limited,
Bangalore.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Kaynes Technology India Private Limited** (hereinafter referred to as "the Holding Company") and its four subsidiaries **Kemsys Technologies Private Limited, Kaynes Embedded Systems Private Limited, Kaynes International Design & Manufacturing Private Limited** and **Kaynes Technology Europe GmbH** (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2019, consolidated Profit and Loss Statement, and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information for the year ended on that date (herein after referred as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31st March 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' report and annexure to Board of Directors' report published along with but does not include the consolidated financial statements and our auditor's report thereon.

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement therein, we are required to report that fact. We have read and considered Board of Directors' Report and have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

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

The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements the respective Board of Directors of the companies included in the group are responsible for assessing the group'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 respective Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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



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- 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 financial 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 group 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



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Other Matters

Attention is invited to the following:

(a)

- i. We did not audit the financial statements and financial information of subsidiary **Kaynes Embedded Systems Private Limited** as of 31st March 2019, having assets aggregating to Rs. 85,42,250 /- and net loss of Rs. 29,000/- and net cash flow of Rs Nil for the year ended on that date, as considered in the consolidated Financial Statements. The financial statements of this subsidiary have been audited by another auditor whose report has been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- ii. We did not audit the financial statements and financial information of foreign subsidiary **Kaynes Technology Europe GmbH** as of 31st March 2019, having assets aggregating to Rs. 1,63,36,886 /-, total revenue of Rs. 1,11,23,110 /-, net profit (after tax) of Rs. 7,07,705 /- and a net cash flow Rs. 6,89,386/- for the year ended on that date, as considered in the consolidated Financial Statements. The financial statements and financial information of the subsidiary are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and financial information. In our opinion and according to information and explanation given to us by the management, these financial statements and financial information are not material to the group.

(b) Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. 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 of the consolidated financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;
- c) The Consolidated Balance Sheet, consolidated Profit and Loss Statement and the Consolidated Cash flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;



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- d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2019 taken on record by the Board of Directors of the holding company and the reports of the statutory auditor of its subsidiary, incorporated in India none of the directors of the group is disqualified as on 31st March, 2019 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 statements of the group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note no.28 to the consolidated financial statements;
- ii. The Group has made provision for material foreseeable losses on long term contracts including derivative contracts, as required under the applicable law or accounting standard;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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



CHERIAN K. BABY

Partner

M.No.16043

UDIN: 19016043AAAABQ3584

Place: Bangalore
Date: 16.09.2019

ANNEXURE - A TO THE AUDITORS' INDEPENDENT REPORT

ANNEXURE REFERRED TO IN PARA 2(F) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT OF REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the holding company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Holding Company. One subsidiary is incorporated outside India and its financial statements are unaudited. The other subsidiaries as mentioned in note no.1(iii) of the consolidated financial statements are companies incorporated in India, to which the provisions regarding reporting of internal controls over financial reporting contemplated u/s 143(3) of the Act is not applicable. Hence this report deals with such internal controls over financial reporting of the holding company only.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



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Meaning of Internal Financial Controls over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements of the holding company.

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

Opinion

In our opinion the holding company has, in all material respects, an adequate internal financial control system over financial reporting as reported in the Note 31 to the consolidated financial statements and such internal financial control over financial reporting were operating effectively as at 31st March 2019, based on "the internal control over financial reporting criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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



A handwritten signature in blue ink, appearing to read "Chieran K. Baby".

CHERIAN K. BABY
Partner

M.No.16043
UDIN: 19016043AAAABQ3584

Place: Bangalore
Date: 16.09.2019

KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET AS AT

Particulars	Note	31.03.2019 (₹)	31.03.2018 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2	6,79,99,920	6,79,99,920
Reserves and Surplus	3	86,29,81,483	76,63,57,300
		<u>93,09,81,403</u>	<u>83,43,57,220</u>
Minority Interest		66,21,256	63,49,753
Non-Current Liabilities :			
Long term Borrowings	4	29,54,56,396	18,56,36,766
Deferred tax liabilities (Net)	5	7,89,59,534	7,00,88,223
Other long term liabilities	6	-	15,00,000
Long term provisions	7	2,54,10,003	1,74,90,158
		<u>39,78,25,933</u>	<u>27,47,15,147</u>
Current Liabilities :			
Short term Borrowings	8	1,18,73,55,424	69,75,38,402
Trade payables	9		
- Total outstanding dues of micro and small Enterprises		66,68,376	43,862
- Total outstanding dues of creditors other than micro and small enterprise		91,61,21,238	99,54,21,495
Other Current Liabilities	10	17,94,48,949	21,60,34,700
Short term provisions	11	1,87,72,971	4,61,16,722
		<u>2,30,83,66,958</u>	<u>1,95,51,55,181</u>
Total		<u>3,64,37,95,550</u>	<u>3,07,05,77,301</u>
ASSETS			
Non-Current Assets :			
Fixed Assets	12		
Tangible Assets		45,32,94,463	43,63,60,920
Intangible Assets		4,95,25,342	1,99,73,629
Capital Work in Progress		2,19,56,865	1,43,71,854
Good will on consolidation		2,34,40,723	2,34,40,723
Non Current Investments	13	2,00,26,900	1,98,46,900
Long Term Loans and Advances	14	5,94,41,145	4,48,69,159
		<u>62,76,85,439</u>	<u>55,88,63,185</u>
Current Assets :			
Inventories	15	1,21,78,24,337	86,17,20,041
Trade Receivables	16	1,23,65,28,974	1,35,88,13,142
Cash & Bank Balance	17	32,36,82,137	8,48,45,637
Short term loans and advances	18	23,24,66,913	20,39,58,527
Other current assets	19	56,07,750	23,76,769
		<u>3,01,61,10,111</u>	<u>2,51,17,14,116</u>
Total		<u>3,64,37,95,550</u>	<u>3,07,05,77,301</u>

Significant Accounting Policies
Other notes

1
28-49

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


As per our report of the even date attached


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jairam P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Srividhya
Company Secretary


Cherian K Baby
Partner
M No: 016043

Place: Mysore
Date: 16.09.2019


Place: Mysore
Date: 16.09.2019





Place: Bangalore
Date: 16.09.2019

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

Particulars	Note	31.03.2019 (₹)	31.03.2018 (₹)
INCOME			
Revenue from operations	20	3,64,23,18,077	3,79,42,76,479
Other Income	21	2,21,43,838	4,35,13,912
Total		<u>3,66,44,61,915</u>	<u>3,83,77,90,391</u>
EXPENDITURE			
Cost of raw materials and components consumed	22	2,46,29,07,356	2,57,04,39,088
Purchases of Traded goods	23	2,46,235	1,51,709
goods	24	(4,65,78,958)	(34,09,352)
Employee Benefits expense	25	43,44,19,220	41,65,86,658
Finance costs	26	18,71,97,869	14,09,10,964
Depreciation and Amortisation	12	5,13,05,347	4,65,65,162
Other Expenses	27	43,96,57,812	43,20,00,563
Total		<u>3,52,91,54,881</u>	<u>3,60,32,44,791</u>
Profit/(Loss) before exceptional items and tax		13,53,07,034	23,45,45,600
Exceptional items,		-	-
Profit/(loss) before		13,53,07,034	23,45,45,600
Tax expenses			
Current tax		3,09,56,129	7,00,25,889
Short/ (excess) provision of Income tax for earlier years		(7,25,771)	-
Less: MAT Credit Entitlement		(6,90,217)	2,89,114
Deferred Tax charge/(Gain)		88,71,312	62,06,013
Profit/(Loss) for the year before minority interest		<u>9,68,95,582</u>	<u>15,80,24,584</u>
Less: Share of Profit / (Loss) of minority interest		2,71,403	16,49,428
Profits attributable to shareholders		<u>9,66,24,179</u>	<u>15,63,75,156</u>
Earnings Per Equity Share	46		
-Basic		14.21	10.53
-Diluted		14.21	10.53
Significant Accounting Policies	1		
Other notes	28-49		
For and on behalf of the Board of Directors of Kaynes Technology India Private Limited CIN: U29128KA2008PTC045825		As per our report of the even date attached	


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jai Ram P Sampath
Whole Time Director
[DIN: 08064368]


N Srividhya
Company Secretary

Place: Mysore
Date: 16.09.2019

Place: Mysore
Date: 16.09.2019



For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


Cherian K Baby
Partner
M No: 016043

Place: Bangalore
Date: 16.09.2019

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

Particulars	31.03.2019 (₹)	31.03.2018 (₹)
[a.] CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation, exceptional items	13,53,07,034	23,45,45,599
Adjustments for :		
Depreciation and Amortization	5,13,05,347	4,65,65,162
Provision for doubtful debts	6,84,000	-
Sundry balances written back		(51,782)
Bad debts written off	2,25,37,094	83,12,862
Unrealised Foreign Exchange (Gain)/Loss	(1,55,04,799)	(55,32,680)
Interest Income	(63,81,780)	(71,42,271)
Interest Expenses	18,22,31,301	13,84,54,940
Profit on sale of Mutual funds	-	(12,55,862)
(Profit)/ Loss on sale of fixed assets	4,66,050	-
	<u>23,53,37,213</u>	<u>17,93,50,369</u>
Operating Profit before working capital changes	37,06,44,247	41,38,95,968
Adjustments for :		
(Increase)/ decrease in Inventories	(35,61,04,296)	(5,79,40,789)
(Increase)/ decrease in Trade Receivables	9,99,17,558	(43,57,02,972)
(Increase)/ decrease in Loans and advances Current Assets	(4,04,05,555)	(1,35,74,686)
Increase/ (decrease) in Other Current Liabilities	(5,90,540)	(52,58,173)
Increase/ (decrease) in Trade Payables	(5,80,25,428)	21,91,18,797
	<u>1,54,35,986</u>	<u>12,05,38,145</u>
Cash generated from operations	1,54,35,986	12,05,38,145
Income tax paid net of refund	(6,28,34,163)	(2,81,57,015)
	<u>(4,73,98,177)</u>	<u>9,23,81,130</u>
Net Cash from/ (used in) operating activities (A)	(4,73,98,177)	9,23,81,130
[b.] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / CWIP	(11,26,09,038)	(1,68,90,079)
Fixed deposit	12,00,000	-
Minority share of capital in Kaynes International	100	-
Interest Received	63,81,780	71,42,271
Investment in Mutual Funds (net of sale proceeds)	(1,80,000)	18,16,162
Sale of Fixed Assets	3,80,000	19,50,000
	<u>(10,48,27,158)</u>	<u>(59,81,646)</u>
Net Cash Flow from/ (used in) Investing Activities (B)	(10,48,27,158)	(59,81,646)



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

Particulars	31.03.2019 (₹)	31.03.2018 (₹)
[c.] CASH FLOW FROM FINANCING ACTIVITIES		
Grant received	-	3,27,38,630
Proceeds /(repayment) of unsecured borrowings	(87,92,078)	48,79,732
Proceeds /(repayment) of secured borrowings	58,32,85,214	1,72,30,960
Interest paid	(18,22,31,301)	(13,84,54,940)
Net Cash Flow from/ (used in) Financing Activities (C)	39,22,61,835	(8,36,05,618)
Net increase/ (decrease) in Cash and Cash equivalents [A+B+C]	24,00,36,500	27,93,866
Cash and cash equivalents as at April 1, 2018 *		
Cash and Bank Balances	8,36,45,637	8,08,51,771
Cash and cash equivalents as at March 31, 2019 *		
Cash and Bank Balances	32,36,82,137	8,48,45,637
Less: Fixed deposits with original maturity period of more than three month but less than one year	-	12,00,000
Cash and Cash Equivalents	32,36,82,137	8,36,45,637
	24,00,36,500	27,93,866

* Note 17 'On Cash and Bank Balances' includes ₹.5,59,17,233/- [PY: ₹.5,31,43,590/-] of earmarked bank deposits, which however is cashable on request without any additional cost and ₹ .6,98,74, (PY : ₹.2,35,19,164/-) held as margin money by the bank for issue of guarantees and letter of credit on behalf of the company.

[Notes]


[1] The above Cash Flow Statement has been prepared using the indirect method prescribed in Accounting Standard (AS) 3 on Cash Flow Statements and the reallocations required for that purpose are as made by the Company.

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


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jairam P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Srividhya
Company Secretary




Cherian K Baby
Partner
M No: 016043

Place: Mysore
Date: 16.09.2019

Place: Bangalore
Date: 16.09.2019

Group Information:

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

The Company is headquartered at Mysore, Karnataka state and has 10 manufacturing units and 2 Service Centers at 8 locations in India.

The wholly owned subsidiary company Kemsys Technologies Private Limited was incorporated on 20th October 2009. Its registered office and operations are in Bengaluru. The company is in the business of Information technology, Engineering services, solution providers, development and implementation of Software, customized Software development and other related services for the companies engaged in the field of telecom, defense, automotive, embedded technology, product engineering etc.

The subsidiary company Kaynes Technology Europe GmbH was incorporated on 30th May 2008 with its registered office situated in Switzerland and is providing marketing services in Europe Region for New business as well as after sale support.

The subsidiary company Kaynes International Design & Manufacturing Private Limited ("the Company") with an objective of carrying on the business of exporting of mechanical, electrical electrochemical, semiconductor and/or hybrid technology equipments, subassemblies, components, parts, consumables, designing, developing, manufacturing all kinds of software, including analog and digital signal generation. The company was incorporated on 21st November 2018 under the provisions of Companies Act, 2013.

The subsidiary company Kaynes Embedded Systems Private Limited was incorporated in 16th December 2009 with its registered office situated in Mysore, Karnataka to provide marketing services and as well as after sale support to European customers. However this company has become inoperative and entire investment has been provided for by the holding company. As the networth is negative there is no minority interest.

The Company with its subsidiaries mentioned above as well as in note no 1.iii are herein after referred to as the "group".

1 Significant Accounting Policies

i) Basis of Preparation

These consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention on accrual basis. IGAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Use of Estimates

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

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



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED
CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

iii)Basis for Consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Parent.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements" specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements of the parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions and unrealised profits or losses have been fully eliminated. Where such elimination is not complete higher amount of liabilities/ lower amount of assets are treated as correct and un reconciled balance confirmed as liability/asset as the case may be.

Goodwill represents excess of the cost to the company of its investment in the subsidiary companies over its portion of equity of the subsidiary companies at the date on which investment was made.

Minority interest represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances in the same manner as the Company's separate financial statements.

The subsidiaries considered in the consolidated financial statements are:

Sl. No	Name of the Company	% Voting Power		Country of Incorporation
		31.03.2019	31.03.2018	
1	Kemsys Technologies Private Limited	100.00%	100.00%	India
2	Kaynes International Design & Manufacturing Private Limited (Incorporated on 21.11.2018)	99.99%	N/A	India
3	Kaynes Embedded Systems Private Limited	60.00%	60.00%	India
4	Kaynes Technology Europe GmbH *	60.00%	60.00%	Switzerland

The financial statement of Kaynes Technology Europe GmbH have been incorporated in this consolidated financial statements based on unaudited financial statements. This forms 0.37% [PY:0.53%] of liabilities, 0.64% [PY:-0.65%] of assets, 0.36% [PY:0.66%] of Income and 0.28% [PY:0.58%] of expenses in the consolidated financial statements.

iv) Cash Flow Statement

Cash flow statement is prepared in accordance with AS-3 as specified under the companies Act, 2013, using the indirect method to determine cash flow from operating activities.

v) Revenue Recognition

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

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

Rental income is recognised as per the terms of the agreement.

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

Assembly charges are recognised at rates agreed with the customer.

Revenue from Software Development/ engineering design charges are recognised as per terms agreed with customer.



vi) Fixed assets, Depreciation and Amortisation

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

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

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

b) **Intangible Assets**

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

c) **Depreciation/Amortisation**

Depreciation on tangible assets is provided over the useful lives of the assets on a Straight Line Method (SLM) at the rates specified in schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013 based on the independent technical evaluation carried out by the internal technical team.

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

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

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

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

d) **Capital work in progress**

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

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

f) **Impairment of Assets**

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



vii) Government Grants

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

viii) Leases

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

ix) Investments

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

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

x) Employee Benefits

a. Short term employee benefits:

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

b. Defined-contribution plans:

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

c. Defined-benefit plans:

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

d. Other long term employee benefits:

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

xi) Research & Development

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

xii) Taxation

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



Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and similar tax laws as applicable to the subsidiary in Switzerland. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date after taking into account the various tax concessions available to the Company.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the foreseeable future. In the year in which MAT credit becomes eligible to be recognized, the said asset is created by way of a credit to the Profit and Loss Statement and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-tax during the specified period.

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

xiii) Foreign Currency Transactions

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

At the balance sheet date, monetary assets and liabilities including integral foreign operations, denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance Sheet date end and all exchange gains/ losses arising there-from are adjusted to the Profit and Loss Statement. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

xiv) Forward contracts in foreign exchange

Forward contracts in foreign exchange are entered into by the company mainly to hedge its net foreign currency exposure arising out of highly probable forecast transactions which are not covered by As- 11- "The effect of change in foreign exchange rate" notified under Companies (Accounting Standards) Rules, 2006. Hence the company follows the guidance note on Accounting for Derivatives contracts issued by ICAI which is effective from 1/4/2016. Forward contracts are accounted for at fair value with the changes in fair value as at the reporting date being recognised in the profit and loss statement.

xv) Borrowing Costs

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

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

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

xvi) Inventories

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



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

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

xvii) Customs Duty and Excise Duty

- (a) Excise Duty in respect of goods sold is reduced from sales.
- (b) Customs duty and Excise Duty applicable on goods under clearance have been computed and provided for by adding the same to the value of relative inventories.

xviii) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are neither recognized nor disclosed in the accounts.

xix) Earnings Per Share

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

Diluted Earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period should be adjusted for the effects of all dilutive potential equity shares.

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

2. Share Capital	31.03.2019 (₹)	31.03.2018 (₹)
Authorised : 70,00,000 [PY : 70,00,000] Equity Shares of ₹ 10/- each	7,00,00,000	7,00,00,000
Issued, Subscribed and Paid up 67,99,992 (2018 : 67,99,992) Equity Shares of ₹ 10/- each	6,79,99,920	6,79,99,920
	6,79,99,920	6,79,99,920

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

Equity Shares outstanding:	31.03.2019		31.03.2018	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of the year	67,99,992	6,79,99,920	51,00,000	5,10,00,000
Issued during the year	-	-	16,99,992	1,69,99,920
Outstanding at the end of the year	67,99,992	6,79,99,920	67,99,992	6,79,99,920

b. Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

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

The company has not issued any securities that are convertible into equity/ preference shares.

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

	31.03.2019		31.03.2018	
	No. of shares	% of holding	No. of shares	% of holding
Ramesh Kunhikannan, Managing Director	67,96,670	99.95%	67,96,670	99.95%

d. For the period of five years immediately preceding 31/3/2019

A. No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

B. Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Equity share of ₹ 10/- each	No. of shares	(₹)
(i) Financial Year 2012-13	24,50,000	2,45,00,000
(ii) Financial Year 2017-18 [refer note below]	16,99,992	1,69,99,920

The Company has issued 16,99,992 fully paid equity shares of ₹. 10 each during such year pursuant to a bonus issue approved by the shareholders in the EGM held on 14.09.2017. One Bonus share of ₹.10 each was allotted for every three equity shares held in the company.

C. No shares were bought back.

3. Reserves and Surplus

	31.03.2019 (₹)	31.03.2018
Securities Premium		
Balance as at the beginning of the year	75,09,880	2,45,09,800
Less : Utilised towards issue of bonus shares	-	(1,69,99,920)
Closing Balance	75,09,880	75,09,880



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

Debenture Redemption Reserve		
Balance as at the beginning of the year	3,75,00,000	-
Add : Additions during the year (refer note below)	4,25,00,000	3,75,00,000
	<u>8,00,00,000</u>	<u>3,75,00,000</u>

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

General Reserve		
Balance as at the beginning of the year	5,00,00,000	5,00,00,000
Closing Balance	<u>5,00,00,000</u>	<u>5,00,00,000</u>

Surplus in the profit and loss statement		
Balance as at the beginning of the year	67,13,47,423	55,24,72,264
Profit for the year	9,66,24,180	15,63,75,156
Less: Appropriations		
Transfer to Debenture Redemption Reserve	4,25,00,000	3,75,00,000
Net Surplus in the profit and loss statement	<u>72,54,71,603</u>	<u>67,13,47,420</u>

Total Reserves and Surplus	<u>86,29,81,483</u>	<u>76,63,57,300</u>
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4. Long-term borrowings

	Non-current portion		Current portion	
	31-Mar-19 (₹)	31-Mar-18 (₹)	31-Mar-19 (₹)	31-Mar-18 (₹)
Debentures				
Unsecured Debentures	15,00,00,000	15,00,00,000	-	-
Secured Debentures	12,32,50,000	-	4,67,50,000	-
Term loans				
From Others				
Secured	16,87,053	90,24,863	70,44,450	8,05,99,152
Unsecured	68,18,501	2,25,30,959	1,57,35,809	1,41,75,123
Vehicle Loan				
From Bank - Secured	1,37,00,842	40,80,944	40,43,007	9,31,749
From Others - Secured	-	-	-	16,40,743
	<u>29,54,56,396</u>	<u>18,56,36,766</u>	<u>7,35,73,266</u>	<u>9,73,46,767</u>
The above amount includes				
Secured borrowings	13,86,37,895	1,31,05,807	5,78,37,457	8,31,71,644
Unsecured borrowings	15,68,18,501	17,25,30,959	1,57,35,809	1,41,75,123
Amount disclosed under the head "Other current liabilities" [refer note 10]	-	-	(7,35,73,266)	(9,73,46,767)
Net amount	<u>29,54,56,396</u>	<u>18,56,36,766</u>	<u>-</u>	<u>-</u>

[a.] Notes on Debentures

(i) 150 Unrated Unlisted Non Convertible Debentures of face value ₹. 10,00,000/- with a coupon rate of 18% p.a. payable at monthly advance rest. The maturity date shall be the date falling on the expiry of 30 months from the deemed date of allotment which is 17.10.2017. These are guaranteed by the personal guarantee and pledge of 26% shares of the company held by the founders of the company.



(ii) 1,700 Unrated, secured, unlisted, redeemable Non Convertible Debentures of face value ₹. 1,00,000/- with a coupon rate of 16% p.a. payable at monthly advance rest repayable in 4 quarterly instalments with the first repayment starting from 30.06.2019 onwards. This is secured against hypothecation of specific plant & machinery and specific receivables. These are guaranteed by the personal guarantee and pledge of 33% shares of the founders of the company. The principal amount falling due within a period of 12 months from the balance sheet date on this loans aggregating to ₹.4.68 Crores (PY ₹. Nil) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 10)

[b.] Notes on Long Term Borrowings- Secured

(i) EXIM Bank -Secured term loan of ₹. 9.35 Crores repayable in 20 Quarterly instalments along with the interest commencing after moratorium of 12 months from Scheduled Commercial Operation Date (30th June 2015) or Actual commercial operation date, whichever is earlier . The loan is secured against first pari passu entire movable fixed assets of the company including plant and machinery except for those exclusively charged to other lenders as first paripassu charge and first charge on factory land and building and canteen building. Further this loans has been guaranteed by the personal guarantee of two whole time directors of the company. The rate of interest is 11% p.a [Financial Year 2017-18 - 12.50%]. This loan is pre closed in July 2018.

(ii) Siemens Financial Services Private Limited - Two secured term loans from this Non Banking Financial Institution are repayable in 48 monthly instalments along with the interest at 13.25% per annum [Financial Year 2017-18 -13.25%]. The loan is secured by hypothecation of plant and machinery acquired by this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loans aggregating to ₹. 58.85 lakhs Crores (PY ₹.1.41 Crores) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 10)

(iii) Sundaram Finance Ltd- Secured term loan is repayable in 48 monthly instalments along with the interest at 13.50% per annum [PY: 13.50%]. The loan is secured by hypothecation of plant and machinery acquired by this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 11.59 lakhs (PY : ₹. 10.14 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 10)
Charge is pending to be registered with ROC for this loan.

[c.] Notes on Long Term Borrowings- Unsecured

(i) Hero Fincorp.- Unsecured working capital term loan of ₹.5 Crores repayable in 48 monthly instalments along with interest rate of 12.75% p.a. which is secured by charge on the personal property of the director Mr. Ramesh Kunhikannan, situated at SY 60, Kizhunna desom, Kannur and LIC policy of Ramesh Kunhikannan with surrender value of ₹.2.49 crores. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 1.49 crores (PY: ₹.1.24 crores) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 10)

(ii) Bajaj FinServ-Unsecured working capital term loan of ₹.35.75 lakhs repayable in 48 monthly instalments along with interest rate of 19.75% (PY 19.75%) p.a. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 8.06 lakhs (PY: 10.27 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 10).

[d.] Notes on Vehicle Loans

Vehicle loans from bank/others is repayable in 24 to 48 monthly instalments along with the interest rate ranging from 8.62% to 9.78% per annum. The loan is secured against the vehicles purchased out of this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹.40.43 lakhs (PY ₹.24.71 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 10).

5. Deferred Tax Liability (Net)

	31.03.2019 (₹)	31.03.2018 (₹)
Deferred tax liability		
Fixed assets: timing differences on account of depreciation allowance	9,13,22,422	7,99,16,579
Gross deferred tax liability	9,13,22,422	7,99,16,579



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

Deferred tax asset	1,23,62,888	98,28,356
Expenses: timing differences on expenses allowable on payment basis	1,23,62,888	98,28,356
Gross deferred tax asset	7,89,59,534	7,00,88,223
Net deferred tax liability		

6. Other long term liabilities

	31.03.2019 (₹)	31.03.2018
Rent Deposit	-	15,00,000
	-	15,00,000

7. Long term provisions

	Non-current portion		Current portion	
	31-Mar-19 (₹)	31-Mar-18 (₹)	31-Mar-19 (₹)	31-Mar-18 (₹)
Provision for employee benefits				
Gratuity	1,87,78,679	1,35,06,652	58,27,517	29,77,075
Compensated Absences	46,31,324	39,83,506	5,60,725	3,73,539
	2,34,10,003	1,74,90,158	63,88,242	33,50,614
Amount disclosed under the head "Short Term Provision" [refer note 11]			(63,88,242)	(33,50,614)
Net amount	2,34,10,003	1,74,90,158	-	-

8. Short-term borrowings

	31.03.2019 (₹)	31.03.2018 (₹)
Short term unsecured loans from shareholders	7,38,00,000	2,38,50,000
Loans Repayable on demand :		
- From Banks		
Cash Credit - Secured	65,78,46,940	32,87,66,455
Rupee Packing Credit - Secured	32,41,03,512	17,09,28,621
Foreign Currency Buyer's Credit - Secured	-	1,96,36,316
Foreign Currency Bills Discounted - Secured	5,54,21,418	5,15,90,220
Foreign Currency Packing Credit - Secured	4,26,83,554	5,13,80,686
- From Others		
Rupee Packing Credit - Unsecured	-	2,13,86,104
Rupee demand loan - Unsecured	3,35,00,000	3,00,00,000
	1,18,73,55,424	69,75,38,402
The above amount includes		
Secured borrowings	1,08,00,55,424	62,23,02,298
Unsecured borrowings	10,73,00,000	7,52,36,104
Net	1,18,73,55,424	69,75,38,402

[Note]

a) Short term loans from shareholders are repayable in monthly instalments during the next year and carries interest at 13% to 17% per annum.



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

b) Secured Cash credit, Packing credit and Buyers credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank holds 54.7% share of the above securities with a paripassu charge held by Kotak Mahindra Bank. Further these loans have been guaranteed by the personal guarantee of two whole time directors of the company.

c) Saraswat Bank has approved a cash credit facility of ₹. 37 crores on 01.10.2018 where the securities hypothecated with Kotak Mahindra Bank will be hypothecated to Saraswat Bank with a paripassu charge. Documentation and modification of charge for this is pending as on the balance sheet date.

d) Rupee demand loan from Bajaj Finserv to be repaid or rolled over at the request of the company.

e) Kotak Mahindra Bank- pledge of 30% shares of the company held by one of the directors in favour of the bankers.

9. Trade Payables

	31.03.2019 (₹)	31.03.2018 (₹)
Total outstanding dues of micro and small enterprises [refer note below]	66,68,376	43,862
Total outstanding dues of creditors other than micro and small enterprises	91,61,21,238	99,54,21,495
	92,27,89,614	99,54,65,357

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

Overdue amount outstanding at the end of the year	38,56,742	43,862
Principal amount (except overdue amount) outstanding at the end of the year	28,11,634	43,862
Interest paid after due date during the year.	-	-
Interest amount accrued and remaining unpaid at the end of the year	4,86,280	15,952

10. Other current liabilities

	31.03.2019 (₹)	31.03.2018 (₹)
Other Liabilities		
Current Maturities of long-term debts [refer note 4]	7,35,73,266	9,73,46,767
Interest accrued but not due on borrowings	1,56,686	15,26,701
Rent Deposit	15,00,000	-
Other payables		
Trade Payables [Capital Goods]	-	34,45,587
Dues to employees [Refer note below]	5,21,58,263	7,96,44,079
Statutory dues payables	2,08,59,720	3,31,19,764
Advance from customers	3,07,23,824	6,19,138
Other current liabilities	4,77,190	3,32,664
	17,94,48,949	21,60,34,700

[Notes]

Dues to employees includes due to related parties:

	31.03.2019 (₹)	31.03.2018 (₹)
- Ramesh Kunhikannan	3,17,800	1,44,07,800
- Savitha Ramesh	3,77,800	1,44,07,800
- Premitha Ramesh	1,54,800	5,000
- Jairam P Sampath	99,800	2,34,800
- Sai Kamalesh	2,68,100	1,18,420



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

11. Short term provisions

	31.03.2019	31.03.2018
	(₹)	(₹)
Gratuity [refer note 7]	58,27,517	29,77,075
Compensated Absences [refer note 7]	5,60,725	3,73,539
Income Tax (Net of Advance tax paid)	1,21,78,959	4,25,08,973
Others	2,05,770	2,57,135
	<u>1,87,72,971</u>	<u>4,61,16,722</u>

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

Particulars	(Amounts in ₹)											
	Freehold Land	Leasehold land	Buildings [4]	Plant & Equipment	Furniture & Fixtures	Office Equipment's	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvements	Total
Gross Block at cost												
As at April 1, 2017	45,33,125	1,35,62,850	9,10,28,086	45,03,78,951	2,96,38,131	1,21,89,765	1,30,16,057	1,84,15,910	3,23,79,914	71,86,716	77,96,682	68,01,26,187
Additions [1], [2] & [3]	-	7,56,560	62,59,964	1,23,63,926	15,48,562	4,28,129	3,60,523	11,30,918	50,25,991	1,18,745	6,80,412	2,86,73,730
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments [2]	-	-	78,94,767	1,57,27,010	6,357	-	1,32,615	-	-	3,00,523	-	2,40,61,272
Adjustment for Government grant received [5]	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	45,33,125	1,43,19,410	8,93,93,283	44,70,15,867	3,11,80,336	1,26,17,894	1,32,43,965	1,95,46,828	3,74,05,905	70,04,938	84,77,094	68,47,38,645
Additions	-	-	-	3,14,74,376	44,84,940	11,67,765	3,75,251	56,41,664	1,70,04,910	22,72,385	39,93,737	6,64,15,027
Disposal	-	-	-	-	-	-	-	-	28,85,406	-	-	28,85,406
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	45,33,125	1,43,19,410	8,93,93,283	47,84,90,243	3,56,65,276	1,37,85,659	1,36,19,216	2,51,88,492	5,15,25,409	92,77,323	1,24,70,831	74,82,68,266
Accumulated Depreciation												
Upto April 1, 2017	-	-	93,92,669	12,28,23,416	1,48,00,498	72,37,036	74,66,324	1,56,28,590	1,61,55,030	49,23,800	50,83,866	20,35,11,229
Charge for the year	-	-	21,57,238	2,84,61,853	28,74,870	18,20,344	14,68,996	16,08,491	35,83,046	7,56,207	21,35,450	4,48,66,496
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Upto March 31, 2018	-	-	1,15,49,907	15,12,85,269	1,76,75,368	90,57,380	89,35,320	1,72,37,081	1,97,38,076	56,80,007	72,19,316	24,83,77,725
Charge for the year	-	-	22,61,284	2,96,50,347	28,51,759	16,65,667	11,48,276	35,74,532	50,64,041	8,08,783	16,10,746	4,86,35,436
Disposal	-	-	-	-	-	-	-	-	20,39,356	-	-	20,39,356
Upto March 31, 2019	-	-	1,38,11,191	18,09,35,616	2,05,27,128	1,07,23,047	1,00,83,596	2,08,11,613	2,27,62,761	64,88,790	88,30,062	29,49,73,805
Balance as at March 31, 2019	45,33,125	1,43,19,410	7,55,82,092	29,75,54,626	1,51,38,148	30,62,612	35,35,620	43,76,879	2,87,62,648	27,88,533	36,40,769	45,32,94,461
Balance as at March 31, 2018	45,33,125	1,43,19,410	7,78,43,376	29,57,30,598	1,35,04,968	35,60,514	43,08,645	23,09,747	1,76,67,829	13,24,931	12,57,778	43,63,60,920
Capital Work in Progress												
Balance as at March 31, 2019	-	-	-	-	-	-	-	-	-	-	-	2,19,56,865
Balance as at March 31, 2018	-	-	-	-	-	-	-	-	-	-	-	1,43,71,854

[1] The company is confident that the leasehold land obtained from Karnataka Industrial Development Board will be converted into free hold land by way of a sale deed in the near future.

[2] The leasehold land includes a building measuring about 750 m² for which separate cost is not known.

[3] Additions to lease hold land represent the registration charges paid towards the land acquired in the previous year.

[4] Building includes property at Parwanoo - Himachal Pradesh, which is pending registration.

[5] During the year the parent company has received grant from Ministry of Communication and Information Technology as incentives for expansion projects with reference to approved items of plant and equipments under Modified Special Incentives Package Scheme (M-Sips). The grant amount of ₹ 2.41 Crores is reduced from the respective asset value in accordance with the accounting policy adopted by the Company.



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

12.2 Intangible assets			
Particulars	(Amounts in ₹)		Total
	Technical Know How	Computer Software	
Gross Block at cost			
As at April 1, 2017	31,50,753	1,37,03,637	1,68,54,390
Additions/Adjustment	13,41,497	1,08,23,621	1,21,65,118
Disposal/Adjustment	19,50,000	-	19,50,000
As at March 31, 2018	25,42,250	2,45,27,258	2,70,69,508
Additions/Adjustment	-	3,22,21,623	3,22,21,623
Disposal/Adjustment	-	-	-
As at March 31, 2019	25,42,250	5,67,48,881	5,92,91,131
Accumulated Amortisation			
Upto April 1, 2017	-	53,97,212	53,97,212
Charge for the year/Adjustment	-	16,98,667	16,98,667
Disposal/Adjustment	-	-	-
Upto March 31, 2018	-	70,95,879	70,95,879
Charge for the year/Adjustment	-	26,69,911	26,69,911
Disposal/Adjustment	-	-	-
Upto March 31, 2019	-	97,65,790	97,65,790
Balance as at March 31, 2019	25,42,250	4,69,83,091	4,95,25,341
Balance as at March 31, 2018	25,42,250	1,74,31,379	1,99,73,629



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

13. Non-current investments

	31.03.2019 (₹)	31.03.2018 (₹)
Trade investments (Valued at cost unless stated otherwise)		
Investments in equity Instruments (Unquoted)		
Winfoware Technologies Limited	1,08,02,500	1,08,02,500
Mysore ESDM Cluster	25,000	25,000
	1,08,27,500	1,08,27,500
Investments in Mutual Funds (Quoted)		
Canara Robeco Capital Protection Oriented Fund 8,49,980 units at ₹. 10 [PY: 8,49,980 units at ₹.10]	84,99,800	84,99,800
Canara Robeco Emerging Equities - Regular Growth fund - 2,273.130 units of ₹. 87.91 each [PY: 1731.08 units of ₹ .86.5t each]	1,99,850	1,49,850
Canara Robeco Emerging Equities - Regular Growth fund - 315.66 units of ₹. 95.04 each [PY:315.66 units of ₹. 95.04 each]	30,000	30,000
Canara Robeco Balance regular growth- Regular Growth fund - 789.647 units at ₹. 139.17 each [PY: 655.95 units at ₹ .137.05 each]	1,09,900	89,900
Canara Robeco Balance regular growth- Regular Growth fund - 135.30 units at ₹. 147.82 each [PY: 135.30 units at ₹. 147.82 each]	20,000	20,000
Canara Robeco Infrastructure - Regular Growth Fund- 1,711 units at ₹. 46.7124 [PY: 1,465.54 units at ₹.47.7128 each]	79,925	69,925
Canara Robeco Large Capital Fund - Regular Growth Fund- 6474.126 units of ₹.21.6129 each [PY: 4,756.9 units of ₹.21.0063 each]	1,39,925	99,925
Canara Robeco Large Capital Fund - Regular Growth Fund- 1,320.412 units of ₹.22.7201 each [PY: 882.97 units of ₹.22.6508 each]	30,000	20,000
Canara Robeco Consumer Trends Fund - Regular Growth - 1,083.756 units of ₹.36.9086 each [PY: 544.49 unit of ₹ 36.7316 each]	40,000	20,000
Canara Robeco Equity Diversified - Regular Growth- 404.530 units of ₹.123.6002 each [PY: 161.62 units of ₹.123.7471 each]	50,000	20,000
	91,99,400	90,19,400
Net amount	2,00,26,900	1,98,46,900
Aggregate amount of Unquoted investments	1,08,27,500	1,08,27,500
Quoted NAV of investments	1,05,28,060	98,10,016

[Notes]

Investments in equity instruments- Others

- a) Investment in Winfoware Technologies Limited 1,487,120 equity shares [PY: 1,487,120 equity shares] face value of ₹ 5/- each purchased at a premium, this constitutes 18.98% of the capital of that company.
- b) Investment in Mysore ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of ₹. 10/- each constitutes 14.29% [PY:25%] of the capital of that company.



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

14. Long-term loans and advances

	Non Current		Current portion	
	31.03.2019 (₹)	31.03.2018 (₹)	31.03.2019 (₹)	31.03.2018 (₹)
Capital Advances	1,82,97,773	1,53,55,983	-	-
Security Deposit				
Unsecured, Considered good				
Rent Deposit	2,12,79,836	1,97,96,776	-	-
Utility Deposit	31,44,108	29,07,028	-	-
EMD Deposit	-	-	64,54,791	39,49,351
Loans and advances to related parties	-	-		
Unsecured, considered good [Refer Note 14.1]	-	-	5,37,61,483	3,88,70,407
Advances recoverable in cash, kind or for value to be received				
Unsecured considered good	91,47,298	27,11,250	-	-
Other loans and advances				
Balance with statutory/government authorities - Unsecured [Refer Note 14.2]	24,70,215	19,60,215	-	-
Advance Income Tax (Net of Provisions)	41,37,074	17,16,293	-	-
MAT Credit	9,64,841	4,21,614		
Loan to employees	-	-	98,80,222	78,70,074
	5,94,41,145	4,48,69,159	7,00,96,497	5,06,89,832
Amount disclosed under the head "Other loans and advances" [refer note 18]	-	-	(7,00,96,497)	(5,06,89,832)
Net amount	5,94,41,145	4,48,69,159	-	-
The above amount includes				
Unsecured, considered good	5,94,41,145	4,48,69,159	7,00,96,497	5,06,89,832

[Note]

[14.1] Includes ₹.3,09,71,197/- [PY:-₹.3,09,71,197/-] receivable from Directors.

[14.2] Includes ₹.21,10,000/- [PY: ₹.16,00,000/-] paid under protest to Karnataka VAT authorities in relation to CST assessment for the year 2015-16 pending rectification.

15. Inventories *

	31.03.2019 (₹)	31.03.2018 (₹)
Raw Materials and Components	94,81,86,048	65,49,82,351
Work in progress - Goods	11,19,07,007	9,51,16,848
Work in progress - Services	3,17,00,416	-
Finished Goods	6,26,57,772	6,45,69,389
Stores and spares	2,26,17,269	1,49,86,001
Goods In transit	4,07,55,825	3,20,65,452
	1,21,78,24,337	86,17,20,041

* Inventory is valued at cost on FIFO method through the Inventory module of accounting package used in respect of material costs and overheads as applicable are allocated.

16. Trade Receivable

	31.03.2019 (₹)	31.03.2018 (₹)
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9,85,69,727	10,92,82,142
Unsecured, considered Doubtful	8,53,729	-
	9,94,23,456	10,92,82,142
Less: Provision for doubtful receivable	8,53,729	-
Net	9,85,69,727	10,92,82,142



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

Others		
Unsecured, considered good	1,13,79,59,247	1,24,95,31,000
Total	1,13,79,59,247	1,24,95,31,000
	1,23,65,28,974	1,35,88,13,142

17. Cash and Bank Balances

	31.03.2019 (₹)	31.03.2018 (₹)
Cash and Cash Equivalents		
In cash credit account ^[1]	18,92,30,534	-
In current accounts	80,10,723	62,34,265
In deposit account (Recurring deposit)	3,00,000	3,00,000
Cash on hand	2,14,830	3,14,682
In EEFC account	1,33,936	1,33,936
	19,78,90,023	69,82,883
Other bank balances		
Fixed deposits with original maturity period of more than three month but less than 12 months	-	12,00,000
Other earmarked balances ^[2]	5,59,17,233	5,31,43,590
Margin Money ^[3]	6,98,74,881	2,35,19,164
	12,57,92,114	7,78,62,754
	32,36,82,137	8,48,45,637

[Notes]

[1] Represents the debit balance in a cash credit facility extended by Kotak Mahindra Bank.

[2] Other earmarked balances are deposits encumbered with bank for providing working capital facility and is readily encashable.

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

18. Short-term loans and advances

	31.03.2019 (₹)	31.03.2018 (₹)
Other loans and advances - Unsecured considered good		
Long-term loans and advances - Current Portion [refer note 14]	7,00,96,497	5,06,89,832
Balance with statutory/government authorities [refer note 18.1]	1,92,27,740	47,00,408
Prepaid expenses	4,03,10,575	68,18,621
Advance paid to suppliers	10,27,08,504	14,16,07,760
Advance to Employees	1,23,597	1,41,906
	23,24,66,913	20,39,58,527

Notes:

18.1-Includes ₹.14,89,620/- due from customs authorities. An order was passed by the commissioner of customs on 19.7.2017 appropriating ₹. 5,10,380/- against the deposit of ₹. 20 lakhs and directing for returning the balance after following the refund procedures which is pending.

19. Other current assets

	31.03.2019 (₹)	31.03.2018 (₹)
Interest accrued	32,63,682	23,76,769
Unbilled Revenue	23,44,068	-
Total	56,07,750	23,76,769

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

20. Revenue from operations

	31.03.2019 (₹)	31.03.2018 (₹)
Sale of products		
Export Sales	57,20,34,950	1,36,48,38,305
Domestic Sales	2,80,03,70,554	2,28,10,81,058
Sale of services		
Domestic Services	26,74,19,713	20,23,29,796
Export Services	24,92,860	6,71,839
Revenue from operations (Gross)	3,64,23,18,077	3,84,89,20,998
Less: Excise duty	-	5,46,44,519
Revenue from operations (Net)	3,64,23,18,077	3,79,42,76,479

21. Other Income

	31.03.2019 (₹)	31.03.2018 (₹)
Interest Income (Gross)		
On Fixed deposits	63,81,780	71,42,271
On Advances	32,59,936	23,58,095
From Customers	6,16,434	16,59,169
Interest on income tax refund received	2,51,251	-
Export incentives	96,30,392	-
Rent	18,67,572	13,23,000
Liabilities Written Back, net	1,31,917	51,782
Profit on sale of mutual funds	-	12,55,862
Profit on Foreign Exchange Fluctuation, net	-	2,84,50,662
Miscellaneous Income	4,556	12,73,071
	2,21,43,838	4,35,13,912

22. Cost of raw materials and components consumed

	31.03.2019 (₹)	31.03.2018 (₹)
Inventory at the beginning of the year		
Raw Materials and Components	65,49,82,351	62,81,68,562
Add: Purchases	2,75,61,11,053	2,59,72,52,877
	3,41,10,93,404	3,22,54,21,439
Less: Inventory at the end of the year		
-Raw Materials and Components	93,70,73,959	64,38,70,262
Research and Development Expenditure:		
- On In house Research & Development	1,11,12,089	1,11,12,089
Cost of raw materials and components consumed	2,46,29,07,356	2,57,04,39,088

23. Purchases of Traded goods

	31.03.2019 (₹)	31.03.2018 (₹)
Purchase of traded goods	2,46,235	1,51,709
	2,46,235	1,51,709



24. Changes in inventories of finished goods, work-in-progress and traded goods

	31.03.2019 (₹)	31.03.2018 (₹)
Closing Stock		
Finished Goods	6,26,57,772	6,45,69,389
Work-in-progress-Goods	11,19,07,007	9,51,16,848
Work-in-progress-Service	3,17,00,416	-
	<u>20,62,65,195</u>	<u>15,96,86,237</u>
Less:		
Opening Stock		
Finished Goods	6,45,69,389	1,28,93,117
Work-in-progress-Goods	9,51,16,848	14,33,83,768
	<u>15,96,86,237</u>	<u>15,62,76,885</u>
Total	(4,65,78,958)	(34,09,352)

25. Employee Benefits expense

	31.03.2019 (₹)	31.03.2018 (₹)
Salaries and Wages	35,50,06,146	34,16,58,191
Contribution to provident and other funds	2,22,60,039	1,59,25,283
Staff welfare expenses	3,97,31,940	3,27,33,525
Research and Development Expenditure:		
- On In house Research & Development	1,74,21,095	2,62,69,659
Total	43,44,19,220	41,65,86,658

26. Finance costs

	31.03.2019 (₹)	31.03.2018 (₹)
Interest		
- On Term/Vehicle Loans	96,22,250	1,95,91,276
- On Working Capital Loans	11,30,22,718	9,54,35,013
- On Debentures	4,61,55,981	1,25,75,355
- On delayed payment of Income Tax	49,66,568	24,56,024
- On delayed payment of other taxes	61,44,779	67,20,000
Loan processing Fees	72,85,573	41,33,296
Total	18,71,97,869	14,09,10,964

27. Other Expenses

	31.03.2019 (₹)	31.03.2018 (₹)
Rent	2,83,18,902	2,58,65,651
Rates and Taxes	1,49,22,260	1,94,22,241
Printing and Stationery	47,95,361	40,88,292
Insurance	39,15,252	25,77,400
Discounts allowed	3,51,922	44,51,472
Donations	1,25,93,460	56,40,550
Power and Fuel	3,02,45,460	2,87,31,991
Labour and Processing Charges	6,85,60,611	6,83,78,369
Conversion expenses	93,56,010	-
Stores, Spares and Consumables Consumed	7,25,70,687	7,22,49,332
Repairs and Maintenance:		
- Plant and Machinery	1,55,36,858	1,34,68,984



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

- Building	79,77,052	25,61,134
- Others	1,60,43,464	94,76,555
Security Charges	53,33,195	61,67,351
Research and Development:		
- On In house Research & Development	7,54,216	12,87,165
Legal and Professional charges	1,72,39,295	1,88,12,920
Auditors Remuneration [Refer Note 27.1 below]	14,79,000	14,24,000
Commission on Sales	5,00,111	71,50,824
LD/Claim Settled	61,09,519	1,10,52,808
Bank Charges	1,11,80,413	81,87,830
Communication expenses	53,66,438	61,29,141
Travelling and Conveyance	3,10,00,944	1,88,09,936
Advertisement and Business Promotion	1,84,26,274	1,34,87,026
Outward Freight and Forwarding	1,55,99,310	6,67,99,473
Prior Period Expenses	-	21,14,240
CSR expenditure	29,77,495	29,79,529
Bad debts written off	2,25,37,094	83,12,862
Loss on Foreign Exchange Fluctuation, net	1,24,90,856	-
Loss on sale of Fixed Assets	4,66,050	-
Software Expense	12,88,904	-
Provision for Doubtful Debts, net	6,84,000	-
Miscellaneous Expenses	10,37,399	23,73,487
	43,96,57,812	43,20,00,563

27.1 Auditors' Remuneration (excluding taxes) :

	31.03.2019	31.03.2018
	(₹)	(₹)
Statutory Audit (includes to another auditor of one subsidiary ₹ .29,000 (PY:₹.29,000/-))	10,39,000	9,64,000
Tax Audit	2,55,000	2,55,000
Taxation Services	1,00,000	1,15,000
For Certification	85,000	90,000
	14,79,000	14,24,000



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

28 Contingent Liabilities and Commitments		
Particulars	2019 (₹)	2018 (₹)
<u>Contingent Liabilities:</u>		
i) Claims against the company not acknowledged as debt		
Disputed Income Tax Demand [refer note 28.1, 28.3]	23,87,630	78,16,460
Disputed Income Tax Demand - CPC Demand [refer note 28.2]	19,60,393	-
Tax Deducted at Source -CPC Demand	-	17,42,581
Interest on default in payment of TDS	1,23,511	1,23,511
ii) Performance Bank Guarantee's	3,23,64,089	2,62,82,396
iii) Bond Executed for Customs/Central Excise. Covered by Bank guarantee to the extent of ₹.1,61,25,000/- [PY: ₹.41,25,000/-]	23,50,00,000	9,50,00,000
Total	27,18,35,623	13,09,64,948

Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	5,10,32,369	3,60,72,278
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28.1 Joint Commissioner of Income Tax, Mysore has disallowed the claim made under 80IC for the assessment year 2010-11 stating that the expenses claimed for 80IC is not in accordance with the provisions and issued a demand notice of ₹.23,87,630/-. The company has paid the full demand against this assessment and filed an appeal against this which the Hon. ITAT has remanded to Joint Commissioner of income tax.

28.2 The CPC demand includes ₹.17,37,670/- against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-17 and thereby reducing the MAT credit availed by the company.

28.3 No provision is made in respect of the above two matters as it has not reached finality and management is not expecting any material liability.

29 In the opinion of the management, the assets do not have a value which is lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.

30 Subsidiary Kemsys Technologies Private Limited has accumulated losses of ₹. 3,10,79,187/- as at 31.03.2019 [PY: ₹. 3,59,69,385/- and its net worth as on that date is ₹.(2,60,79,187)/-[PY: ₹.3,09,69,385/-] (negative) and its current liabilities exceed current assets. The subsidiary is carrying on its business in normal course with support from parent company. The subsidiary has earned net profit for the year ended 31.03.2017, 31.03.2018 and 31.03.2019. The proposed activities and orders booked by that company also show good progress and hence its financial statements prepared on a going concern assumption is consolidated in these financial statement and is considered appropriate.

31 Subsidiary Kaynes Technology Europe GmbH has accumulated losses of ₹.39,03,544/- as at 31.03.2019 [PY :45,21,868/-]. Since subsidiary has earned profit during the year the goodwill recognised on consolidation is not impaired.

32 **Internal Control Systems**

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

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

Considering the present size and operations of the Company as well as the systems and procedures in place as detailed above, it has a separate internal audit carried out by external independent firm of Chartered Accountants. Further, the operation of the above controls are constantly monitored by the Director and these were found to be effectively operating at the year end.

The subsidiaries are small and are run by director in charge. There are no elaborate internal control systems in vogue. The operations are closely monitored by such directors/senior management and the internal controls were proved to be operating effectively.

33 Some of the trade receivables, trade payables and loans and advances are subject to confirmation / reconciliation. The management is of the opinion that discrepancies, if any, that may arise on completion of such reconciliation/confirmation may not have material impact on these financials statements.



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

- 34 Disclosure requirements as specified under AS 15 - "Employee Benefits" are envisaged below:
[a.] Defined Contribution Plan:

Particulars	2019 (₹)	2018 (₹)
Employers' contribution to Provident Fund	29,18,663	29,28,314
Employers' contribution to Employee State Insurance	47,39,024	41,50,043
Employers' contribution to Employee's Pension Scheme 1995	54,84,008	51,75,557
Total	1,31,41,695	1,22,53,914

[b.] Defined Benefit Plan

(i) Kaynes Technology India Private Limited-(parent company)

Gratuity

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

Compensated Absences- unfunded obligation

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

i. Actuarial Assumptions	Compensated Absences		Gratuity	
	2019	2018	2019	2018
Discount Rate (per annum)	7.75%	7.75%	7.75%	7.75%
Expected return on plan assets	NA	NA	7.50%	7.50%
Salary escalation rate*	6.00%	6.00%	6.00%	6.00%
Mortality rate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate

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

ii. Reconciliation of Obligation	Compensated Absences		Gratuity	
	2019	2018	2019	2018
Present value of obligation at the beginning of the year	42,10,072	38,28,899	2,44,22,113	2,06,39,759
Current Service Cost	16,62,531	18,26,394	49,29,762	41,08,356
Past Service cost			-	4,20,757
Interest Cost	3,26,281	2,96,740	18,92,714	15,99,581
Actuarial (gain)/ loss	(11,91,716)	(17,41,961)	15,49,082	(18,83,457)
Benefits Paid		-	(14,13,715)	(4,62,883)
Present value of obligation at the end of the year	50,07,168	42,10,072	3,13,79,956	2,44,22,113

iii. Reconciliation of fair value of plan assets	Gratuity	
	2019	2018
Fair value of plan assets at the beginning of the year	83,88,472	82,36,807
Expected return on plan assets	6,50,107	6,17,761
Actuarial gain/ (loss)	(28,420)	(3,213)
Contributions	-	-
Benefits paid	(14,13,715)	(4,62,883)
Assets distributed on settlement	-	-
Fair value of plan assets at the end of the year	75,96,444	83,88,472

iv. Description of Plan Assets	Gratuity	
	2019 (₹)	2018 (₹)
Insurer Managed Funds (LIC of India)	75,96,444	83,88,472

v. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Compensated Absences		Gratuity	
	2019	2018	2019	2018
Present value of obligation at the end of the year	50,07,168	42,10,072	3,13,79,956	2,44,22,113
Fair value of plan assets at the end of the year			75,96,444	83,88,472



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

Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	50,07,168	42,10,072	2,37,83,512	1,60,33,641
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vi) (Income)/ Expense recognized in the Profit and Loss Statement

	Compensated Absences		Gratuity	
	2019	2018	2019	2018
Current Service Cost	16,62,531	18,26,394	49,29,762	41,08,356
Interest Cost	3,26,281	2,96,740	18,92,714	15,99,581
Actuarial (gain)/ loss recognized for the period	(11,91,716)	(17,41,961)	15,77,502	(18,80,244)
Past Service Cost (if applicable)	-	-	-	4,20,757
Expected return on plan assets	-	-	(6,50,107)	(6,17,761)
(Income)/ Expenses recognized in the Profit and Loss Statement	7,97,096	3,81,173	77,49,871	36,30,689

vi) History of defined benefit obligation, plan assets and experience adjustments over 5 years- Gratuity

	2019	2018	2017	2016	2015
Present value of obligation at the year end	3,13,79,956	2,44,22,113	2,06,39,759	2,10,02,044	1,98,64,918
Fair value of plan assets at end of the year	75,96,444	83,88,472	82,36,807	83,83,291	78,22,051
Funded status- (deficit)/ surplus	(2,37,83,512)	(1,60,33,641)	(1,24,02,952)	(1,26,18,753)	(1,20,42,867)
Experience adjustments on plan liabilities	9,71,684	(10,88,739)	(2,61,370)	(43,42,194)	14,42,347
Experience adjustments on plan assets	(28,420)	(3,213)	27,955	23,941	34,206

(ii) Kemsys Technologies Private Limited- (Subsidiary company)

Gratuity and Compensated Absences: [Unfunded]

The subsidiary company has determined the liability towards long term employee benefits as at 31st March, 2019 on the basis of actuarial valuation using the projected unit credit method.

Other Disclosures

	Compensated Absences		Gratuity	
	2019	2018	2019	2018
1. Actuarial assumptions for compensated absences and gratuity:				
Discount factor	7.60%	7.65%	7.60%	7.65%
Salary Escalation	8%	8%	8%	8%
Withdrawal rate	10%	10%	10%	10%
Retirement Age	60 years	60 years	60	60
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

	Compensated Absences		Gratuity	
	2019	2018	2019	2018
2. Reconciliation of Present value of obligation:				
Present Value of obligation - beginning of the year	1,46,973	5,85,219	4,50,086	12,76,828
Interest Cost	11,243	43,891	33,591	95,762
Current Service Cost	1,19,156	1,10,688	2,57,041	1,63,631
Benefits Paid (if any)	(1,06,783)	(6,12,247)	-	(12,69,050)
Actuarial (Gain)/ Loss	14,292	19,422	69,002	1,71,345
Past Service cost	-	-	-	24,534
Recognised Past service cost -	-	-	12,964	-
Unrecognised Past service cost	-	-	-	(12,964)
Present Value of obligation - End of the year	1,84,881	1,46,973	8,22,684	4,50,086



3. (Income)/Expenses recognised in Profit and Loss Statement

	Compensated Absences		Gratuity	
	2019	2018	2019	2018
Interest Cost	11,243	43,891	33,591	95,762
Current Service cost	1,19,156	1,10,688	2,57,041	1,63,631
Expected return on plan asset	-	-	-	-
Actuarial (Gain)/Loss, net	14,292	19,422	69,002	1,71,345
Recognised Past service cost	-	-	12,964	11,570
Expenses to be recognised in profit & loss	1,44,691	1,74,001	3,72,598	4,42,308

4. History of defined benefit obligation, plan assets and experience adjustments over 5 years (to the extent available)

Net (Asset) / Liability recognized in the Balance Sheet as at year end

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Present value of obligation at the year end	8,22,684	4,50,086	4,50,086	10,20,220	7,18,529
Fair value of plan assets at end of the year	-	-	-	-	-
Funded status- (deficit)/surplus	(8,22,684)	(4,50,086)	(4,50,086)	(10,20,220)	(7,18,529)
Experience adjustments on plan liabilities	65,530	1,77,241	(14,280)	(2,85,806)	(2,36,513)
Experience adjustments on plan assets	-	-	-	-	-

The above disclosures are based on information certified by the independent actuary to the extent available.

35 Segment Reporting

The group operates predominantly in one business segment of Electronics Manufacturing Services and accordingly primary reporting disclosures for business segment, as envisaged in Accounting Standard (AS) 17 on Segment Reporting, are not applicable. During the year, the group has twelve manufacturing facilities in India and two service facilities operate predominantly in India for domestic and export markets. There is also one marketing facility outside India. Accordingly the secondary reporting disclosures is made for geographical segments, as envisaged in 'AS-17'.

Sales:	2019	2018
Geographic Segment	(₹)	(₹)
Outside India	57,45,27,810	1,36,55,10,144
In India	3,06,77,90,267	2,42,87,66,335
Total	3,64,23,18,077	3,79,42,76,479

All material assets are located in India as export proceeds are also realisable in India, hence no disclosure of segment assets/cost to acquire tangible and intangible asset is given.

Assets	2019	2018
Geographic Segment	(₹)	(₹)
Outside India	2,03,171	2,68,493
In India	50,26,16,634	45,60,66,057
Total	50,28,19,805	45,63,34,550

36 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	Name of Related Parties
1	Entity controlled by Directors	Kaynes Interconnection Systems India Private Limited
2	Entity where relative of Directors have substantial interest	A ID Systems (India) Pvt Ltd
3	Key Managerial Personnel (KMP)	Mr. Ramesh Kannan (Managing Director) Ms. Savitha Ramesh (Whole Time Director) Mr. Jairam P Sampath (Whole Time Director) Mr. Martin Jahrling



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

		Mr. Sai Kamalesh
4	Relatives of KMP's	Ms. Premita Ramesh

[B.] Transactions with Related Parties

Transactions / Balances	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
[i.] Loans and Advances taken:			
Mr. Martin Jahrling	- (-)	- (-)	- (-)
[ii.] Investment:			
Mysore ESDM Cluster	- (25,000)	- (-)	- (-)
[iii.] Purchase of material:			
Kaynes Interconnection Systems India Private Limited	81,73,637 (74,56,238)	- (-)	- (-)
A ID Systems (India) Pvt Ltd	- (6,136)	- (-)	- (-)
[iv.] Remuneration:			
Mr. Ramesh Kannan	- (-)	1,43,16,000 (2,68,16,000)	- (-)
Ms. Savitha Ramesh	- (-)	1,43,16,000 (2,68,16,000)	- (-)
Mr. Jairam P Sampath	- (-)	71,50,000 (2,50,000)	- (-)
Ms. Premita Ramesh	- (-)	- (-)	24,00,000 (60,000)
Mr. Madhavarao Hari Prasad	- (-)	- (15,58,086)	- (-)
Mr Sai Kamalesh	- (-)	40,99,200 (22,49,200)	- (-)
[v.] Reimbursement of expenses			
Mr. Madhavarao Hari Prasad	- (-)	- (9,470)	- (-)
Mr. Sai Kamalesh	- (-)	- (2,92,840)	- (-)
Transactions / Balances	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
[vi.] Sale of material:			
Kaynes Interconnection Systems India Private Limited	24,43,624 (11,17,147)	- (-)	- (-)
[vii.] Services Received from:			
Kaynes Interconnection Systems India Private Limited	32,384 (57,123)	- (-)	- (-)
viii) Transaction in current account			
Mr. Ramesh Kannan	- (-)	(1,95,550) (1,37,05,704)	- (-)
Ms. Savitha Ramesh	- (-)	(3,40,257) (1,82,22,293)	- (-)



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

[C.] Balances with Related Parties

Transactions / Balances	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
[i.] Investments:			
Mysore ESDM Cluster	25,000 (25,000)	(-)	(-)
[ii.] Loans and Advances			
Kaynes Interconnection Systems India Private Limited	2,03,33,704 (71,87,879)		
Mr. Sai Kamallesh	(-)	1,21,597 (1,21,906)	(-)
[iii.] Commission & Purchase of materials Payable:			
Kaynes Interconnection Systems India Private Limited	47,37,316 (10,87,288)	(-)	(-)
[iii.] Sale of materials Receivable:			
Kaynes Interconnection Systems India Private Limited	(10,56,147)	(-)	(-)
[iii.] Amount Receivable from/ Due to directors:			
Mr. Ramesh Kannan (Dr. Balance)	(-)	1,42,48,642 (1,42,48,642)	(-)
Ms. Savitha Ramesh (Dr. Balance)	(-)	1,67,22,556 (1,67,22,556)	(-)
Mr. Jairam P Sampath (Cr. Balance)	(-)	5,71,474 (13,03,121)	(-)
[iv.] Salaries payable			
Mr. Ramesh Kunhikannan	(-)	3,17,800 (1,44,07,800)	(-)
Savitha Ramesh	(-)	3,77,800 (1,44,07,800)	(-)
Mr. Jairam P Sampath	(-)	99,800 (2,34,800)	(-)
Premita Ramesh			1,54,800 (5,000)
Mr. Sai Kamallesh		2,68,100 (1,18,420)	

Transactions / Balances	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
[v.] Balance in current account:			
Mr. Ramesh Kannan (Dr. Balance)	(-)	(1,95,550) (-)	(-)
Ms. Savitha Ramesh (Dr. Balance)	(-)	(3,40,257) (-)	(-)

[Note.]

- Numbers in Parentheses represent previous year number.
- Suspension of recovery of loan for one year has been approved by the company at the extraordinary general meeting held on 30.08.2019.

37 Operating Lease

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

Lease obligation	2019 (₹)	2018 (₹)
Due not later than one year	Nil	Nil
Due later than one year but not later than five years	Nil	Nil
Total	Nil	Nil

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

- 38 Details of Research & Development Expenditure:
The revenue expenditure incurred in relation to the in house Research & Development Centre has not been included in the respective expense heads in the profit & loss statement.

Particulars	2019	2018
Revenue Expenditure:		
Salaries and Wages	3,95,37,418	2,60,36,119
Staff Welfare Expenses	5,17,159	2,33,540
Raw Materials, Components and Consumables	1,34,66,602	1,11,12,089
Travelling and Conveyance	9,66,563	10,29,657
Communications	4,00,030	2,57,508
Books & Periodicals	-	-
Legal & Professional charges	35,79,529	
Total	5,84,67,301	3,86,68,912

The above includes amount capitalised as intangible assets 3,06,34,165 -

- 39 Foreign Currency Exposure - Hedged and not hedged
Foreign exchange exposures not hedged by derivative instruments:

Particulars	2019		2018	
	FC	Amount in (₹)	FC	Amount in (₹)
Payables :				
EURO	4,52,785	3,54,63,477	2,44,604	1,98,94,265
GBP	9,63,973	8,80,30,030	10,84,877	10,10,54,111
CHF	2,631	1,80,432	4,745	3,23,633
USD	75,66,006	52,67,18,907	35,59,668	23,28,76,001
Receivables :				
EURO	10,73,936	8,23,49,389	5,50,324	4,47,63,678
GBP	4,17,581	3,72,27,328	28,43,510	26,20,21,449
CHF	2,12,702	1,45,89,198	2,44,469	1,66,75,239
USD	13,90,474	9,52,05,783	9,09,096	5,86,12,178
Loan and Advances :				
EURO	1,00,000	76,74,000	1,00,000	79,93,750

- 40 Derivative instruments

Pursuant to issue of Guidance Note on "accounting for derivative contracts" by the Institute of Chartered Accountants of India which is effective for period commencing from 1 April 2016, the Company, as described in para 14(ii) of this guidance note has accounted for its forward exchange contracts which have not been designated as hedge instruments at fair value and the marked to market loss of ₹. Nil [PY: Gain of ₹.57,44,975/-] as valued by Bank has been recognised in the Profit and Loss Statement.

Particulars	2019		2018	
	FC	Amount in (₹)	FC	Amount in (₹)
Receivables :				
EURO	-	-	2,00,000	1,51,78,000
GBP	-	-	6,92,000	6,01,69,600

- 41 Earnings in Foreign Currency (accrual basis)

Particulars	2019	2018
	(₹)	(₹)
Software development and Engineering Design charges	24,92,860	6,71,839
Product Sales- Export of Goods	57,20,34,950	1,36,48,38,305
Total	57,45,27,811	1,36,55,10,144

- 42 Expenditure in Foreign Currency (accrual basis)

Particulars	2019	2018
	(₹)	(₹)
Commission	1,33,83,740	2,06,41,427
Travel	25,43,121	24,53,147
Advertisement & Business Promotion	34,86,043	43,90,336
Legal & Professional charges	10,83,104	20,44,851
Total	2,04,96,008	2,95,29,760



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

43 Production, stock and sales

(A) Details of raw material/components consumed:

Particulars	2019		2018	
	Quantities (No's)	Value (₹)	Quantities (No's)	Value (₹)
Integrated Circuits	1,71,89,484	62,15,26,354	1,60,37,081	61,44,20,687
Printed Circuit Boards	99,40,907	29,69,75,866	77,31,964	21,12,67,265
Other Components (individually less than 10% of total consumption)	42,09,876	1,55,21,96,189	32,45,146	1,74,47,51,135
Total		2,47,06,98,409	2,70,14,191	2,57,04,39,088

Particulars	2019		2018	
	Value (₹)	Percentage %	Value (₹)	Percentage %
Imported	1,74,64,99,273	71%	1,67,02,87,082	64.98%
Indigenous	72,41,99,136	29%	90,01,52,006	35.02%
Total	2,47,06,98,409	100%	2,57,04,39,088	100%

The Components are used in the assembly of customized embedded goods and other related products. Considering the innumerable quantity of small components, it is not practical to give the quantitative information relating to components consumed in detail.

(B) Stock of Finished Goods

Particulars	2019	2018
Manufactured goods	6,26,57,772	6,45,69,389
Traded Goods	-	-
Total	6,26,57,772	6,45,69,389

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

44 CIF Value of Imports

Particulars	2019	2018
Raw Materials	1,68,88,81,777	1,63,77,32,225
Components & Spare parts	6,28,52,068	70,43,290
Capital Goods	77,53,070	67,32,797
Total	1,75,94,86,914	1,65,15,08,312

46 Earnings Per Share

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

Particulars	2019	2018
Basic and Diluted:		
Net Profit After Tax as per Profit and Loss Statement (₹.) - (A)	9,66,24,179	15,63,75,156
Weighted Average Number of Shares outstanding for Basic & Diluted EPS (Nos.) - (B)	67,99,992	67,99,992
Basic earnings per share (₹.) (A) / (B)	14.21	23.00
Diluted earnings per share (₹.) (A) / (B)	14.21	23.00
Nominal value per share (₹.)	10	10

Earnings Per Share (EPS) of the previous year has been adjusted for the bonus issue, in accordance with Accounting Standard(AS) 20- Earnings Per Share.

45 Corporate Social Responsibility

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

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

Particulars	2019 (₹)	2018 (₹)
Amount spent for eligible CSR projects :		
Gross Amount required to be spent by the company during the year	27,11,002	21,52,353
Budget allocated by the Board during the year	30,00,000	30,00,000
Amount Spent	29,77,495	29,79,529
Cumulative amount unspent		



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

47 Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries.

Name of the entity	Net Assets: Total Assets minus Total liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Amount (₹.)	As a % of consolidated profit or loss	Amount (₹.)
Parent Company				
Kaynes Technology India Private Limited	100.29%	94,03,10,968	95.48%	9,25,18,675
Subsidiaries				
Kemsys Technologies Private Limited	-2.78%	(2,60,79,187)	5.05%	48,90,197
Kaynes Embedded Systems Private Limited	0.51%	47,79,528	-0.02%	(17,400)
Kaynes Technology Europe GmbH	1.24%	1,16,62,089	0.44%	4,24,623
Kaynes International Design & Manufacturing Private Limited (Incorporated on 21.11.2018)	0.03%	3,08,005	-1.23%	(11,91,916)
Minority Interests				
	0.71%	66,21,256	0.28%	2,71,403

48 Post implementation of Goods and Service Tax ("GST") with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the year ended March 31, 2018 includes excise duty up to June 30, 2017 disclosed in Note No. 20. Accordingly, revenue from operations for the year ended March 31, 2019 are not fully comparable with the previous year figures.

49 Comparative Figures

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

(Signatures to all notes forming part of Financial Statements)


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

As per our report of the even date attached


Ramesh Kunhikannan
Managing Director
[DIN: 02063167]


Jai Ram P Sampath
Whole Time Director
[DIN: 08064368]

For VARMA & VARMA
Chartered Accountants
Firm Registration No: 0045325


N Srividhya
Company Secretary


Cherian K Baby
Partner
M No: 016043

Place: Mysore
Date: 16.09.2019

Place: Mysore
Date: 16.09.2019



Place: Bangalore
Date: 16.09.2019