

KAYNES TECHNOLOGY  
INDIA PRIVATE LIMITED

STANDALONE FINANCIAL STATEMENTS

AS AT

31.03.2020

**INDEPENDENT AUDITOR'S REPORT**

To

The Members of  
Kaynes Technology India Private Limited  
Mysore

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **M/s. Kaynes Technology India Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup> 2020, the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and the explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read with the notes thereon give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

**Basis for Opinion:**

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



**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

**Management's Responsibility for the standalone financial statements**

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

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

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

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

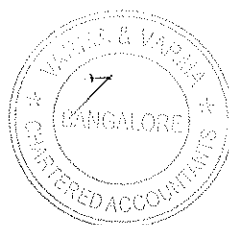


## Auditor's Responsibility for the Audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial control with reference to standalone financials statements of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B", 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 Company being a private limited company, the reporting required as per Section 197(16) is not applicable; and



# Varma & Varma

Chartered Accountants

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

For VARMA & VARMA  
Chartered Accountants  
FRN 004532S



**CHERIAN K. BABY**  
Partner  
M.No.16043

UDIN: 21016043AAAAAJ4929



Place: Bangalore

Date: 17/12/2020

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the standalone financial statements of M/s Kaynes Technology India Private Limited for the year ended 31<sup>st</sup> March, 2020

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

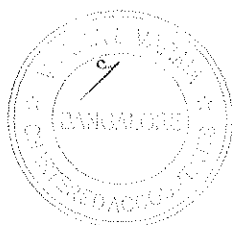


Schedule of repayment of principal and payment of interest has been stipulated but varied during the year. There is no overdue amount remaining outstanding at the balance sheet date. Current accounts of the whole-time directors are not considered as loans for this purpose

- iv) According to the information and explanations given to us and based on the audit procedures conducted by us in respect of loans and investments, provisions of section 185 and 186 of "the act" have been complied with to the extent applicable.
- (v) The Company has not accepted deposits in accordance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company. Hence the provisions of clause 3(v) of the Order are not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the Company in respect of its products pursuant to Rules made by the Central Government of India, for the maintenance of cost records as prescribed under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. Delays were noticed in payment of statutory dues in a few cases.

As at the end of the year, there are no arrears of undisputed statutory dues of a material nature outstanding for a period of more than six months from the date on which they became payable although small amounts were outstanding due to omission as under:

Name of the statute	Nature of the Dues	Period to which amount relates	Amount in Rupees
Employee Provident Funds and Miscellaneous Provisions Act, 1952	Contribution to Provident Fund	2019-2020	1,21,482
Employees State Insurance, 1948	Contribution to ESI	2019-2020	72,490





- (b) According to the information and explanations given to us there are no unpaid disputed dues of Income tax, Value Added Tax, Service tax, GST, duties of customs, duties of excise or Sales Tax as on 31<sup>st</sup> March, 2020 except for the following:

Name of the statute/ Nature of dues	Amount in Rupees	Amount paid under protest/ adjusted by the Department	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	4,94,11,430	-	A.Y. 2018-19 [F.Y. 2017-18]	CPC
Income Tax Act, 1961	75,64,783	15,13,957	AY 2017-18 [F.Y. 2016-17]	CPC
Income Tax Act, 1961	17,36,670	-	AY 2016-17 [F.Y. 2015-16]	CPC
Income Tax Act, 1961	58,720	-	AY 2019-20 [F.Y. 2018-19]	CPC
Central Sale Tax, 1956/ Karnataka Value Added Tax, 2003	10,41,19,72 5	-	AY 2014-15	Joint Commissioner Appeals, Commercial Taxes Department
Central Sales Tax, 1956/ Karnataka Value Added Tax,2003	5,07,38,662	-	AY-2015-16	Joint Commissioner of Commercial Taxes, VAT(Audit-2)

- (viii) According to the information and explanations given to us and on the basis of our verification of the records of the company, the company has not defaulted in repayment of material dues to the bank or financial institutions. There were no overdues as at 31<sup>st</sup> March, 2020. Company has not availed any loan from the Government. There is no default in repayment of debentures during the year.
- (ix) As a private company the question on public offer of shares is not applicable to the Company. According to the information and explanation given to us and as per the verification of the records of the Company, the term loans obtained during the year has been applied for the purpose for which the loans were obtained.

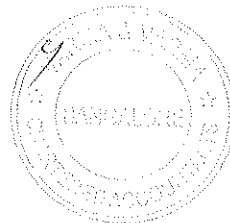


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## Chartered Accountants

- (x) According to the information and explanation given to us and the records of the Company examined by us, no frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company, hence the provisions of section 197 of the Companies act, 2013 are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 188 of the Act where applicable since according to the management these transactions have been undertaken on arm's length basis in the ordinary course of business and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. As explained, provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- (xvi) The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

Place: Bangalore  
Date : 17/12/2020



For VARMA & VARMA  
Chartered Accountants  
FRN 004532S

**CHERIAN K. BABY**  
Partner  
M.No.16043

UDIN: 21016043AAAAAJ34929

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**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **M/s Kaynes Technology India Private Limited** ("the Company") as on 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

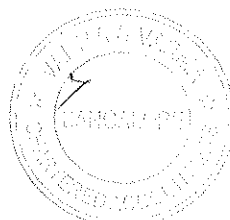
**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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, both 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 applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

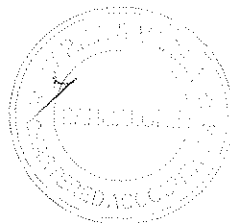
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an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

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

## **Meaning of Internal Financial Controls With Reference To Financial Statements**

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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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



## Inherent Limitations of Internal Financial Controls With Reference To Financial Statements

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 Company has, in all material respects, an adequate internal financial controls system over financial reporting as detailed in note no. 30 to the financial statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company including basis of allocating expenses to various projects considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bangalore

Date: 17/12/2020



For VARMA & VARMA  
Chartered Accountants  
FRN 004532S

**CHERIAN K. BABY**  
Partner

M.No.16043


UDIN: 21016043AAAAAJ4929


KAYNES TECHNOLOGY INDIA PRIVATE LIMITED  
STANDALONE BALANCE SHEET AS AT

Particulars	Note	31.03.2020 (₹)	31.03.2019 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	6,79,99,920	6,79,99,920
(b) Reserves and Surplus	3	98,09,74,886	86,75,27,922
		<b>1,04,89,74,806</b>	<b>93,55,27,842</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long term Borrowings	4	9,79,56,114	29,54,56,396
(b) Deferred tax liabilities (Net)	5	8,40,10,917	7,96,68,902
(d) Long term provisions	6	2,55,23,564	2,24,93,464
		<b>20,74,90,595</b>	<b>39,76,18,762</b>
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	7	1,10,54,00,017	1,18,73,55,424
(b) Trade payables	8		
- Total outstanding dues of micro and small Enterprises		4,01,65,198	66,68,376
- Total outstanding dues of creditors other than micro and small enterprise		86,56,21,678	87,88,63,922
(c) Other Current Liabilities	9	30,95,91,690	17,12,76,101
(d) Short term provisions	10	1,89,21,763	1,84,76,175
		<b>2,33,97,00,346</b>	<b>2,26,26,39,998</b>
<b>Total</b>		<b>3,59,61,65,747</b>	<b>3,59,57,86,602</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		49,78,33,734	44,38,70,861
(ii) Intangible Assets		4,47,00,888	4,62,47,740
(iii) Capital Work in Progress		9,39,81,040	2,19,56,865
(b) Non Current Investments	12	3,12,98,162	3,57,67,962
(c) Long Term Loans and Advances	13	7,51,94,242	5,54,23,948
		<b>74,30,08,067</b>	<b>60,32,67,376</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	1,43,64,37,157	1,20,05,03,612
(b) Trade Receivables	15	92,89,76,347	1,20,55,49,910
(c) Cash & Bank Balances	16	11,53,54,098	31,83,78,390
(d) Short term loans and advances	17	35,70,15,074	25,90,36,727
(e) Other current assets	18	1,53,75,005	90,50,587
		<b>2,85,31,57,680</b>	<b>2,99,25,19,226</b>
<b>Total</b>		<b>3,59,61,65,747</b>	<b>3,59,57,86,602</b>
Significant Accounting Policies	1		
Other Notes	27-44		


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

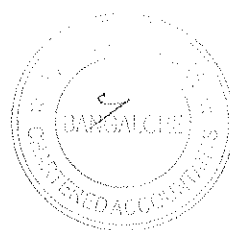
As per our report of the even date attached

  
Ramesh Kunhikannan  
Managing Director  
[DIN: 02063167]

  
Jairam P Sampath  
Whole Time Director  
[DIN: 08064368]

For VARMA & VARMA  
Chartered Accountants  
Firm Registration No: 004532S

  
N Srividhya  
Company Secretary



  
Cherian K Baby  
Partner  
M No: 016043

Place: Mysore  
Date: 17/12/2020

Place: Mysore  
Date: 17/12/2020


Place: Bangalore  
Date: 17/12/2020


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

Particulars	Note	31.03.2020 (₹)	31.03.2019 (₹)
<b>INCOME</b>			
Revenue from operations	19	3,60,34,07,889	3,52,84,30,210
Other Income	20	2,07,73,271	2,40,29,575
<b>Total</b>		<b>3,62,41,81,160</b>	<b>3,55,24,59,785</b>
<b>EXPENDITURE</b>			
Cost of raw materials and components consumed	21	2,55,73,42,962	2,37,81,09,711
Changes in inventories of finished goods work-in-progress and traded goods	22	(16,86,26,482)	(4,39,23,064)
Employee Benefits expense	23	39,44,47,096	39,15,11,804
Finance costs	24	22,53,55,830	18,71,66,217
Research and Development Expenditure	25	1,62,45,590	2,78,33,135
Depreciation and Amortisation	11	6,33,12,007	5,04,09,655
Other Expenses	26	40,23,29,226	43,06,60,417
<b>Total</b>		<b>3,49,04,06,230</b>	<b>3,42,17,67,876</b>
Profit before exceptional and extraordinary items and tax		13,37,74,930	13,06,91,909
Exceptional Items		-	-
Profit before extraordinary items and tax		13,37,74,930	13,06,91,909
Extraordinary Items		-	-
<b>Profit / (Loss) Before Tax</b>		<b>13,37,74,930</b>	<b>13,06,91,909</b>
<b>Tax expenses</b>			
Current tax		2,46,00,000	3,00,00,000
Short/ (excess) provision of Income tax for earlier years		(4,72,934)	(7,25,771)
Add: MAT Credit entitlement		(81,41,115)	-
Deferred Tax charge/ (Gain)		43,42,015	88,99,005
<b>Profit / (Loss) after tax</b>		<b>11,34,46,964</b>	<b>9,25,18,675</b>
<b>Earnings Per Equity Share :</b>	<b>37</b>		
-Basic Earnings Per Equity Share		16.68	13.61
-Diluted Earnings Per Equity Share		16.68	13.61
Significant Accounting Policies	1		
Other Notes	27-44		

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

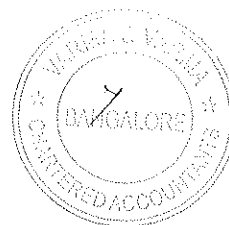
As per our report of the even date attached

  
Ramesh Kunhikannan  
Managing Director  
[DIN: 02063167]

  
Jairam P Sampath  
Whole Time Director  
[DIN: 08064368]

For VARMA & VARMA  
Chartered Accountants  
Firm Registration No: 0045325

  
N Srividhya  
Company Secretary



  
Cherian K Baby  
Partner  
M No: 016043

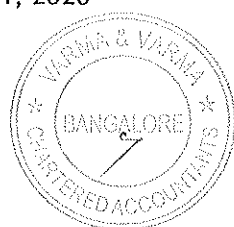
Place: Mysore  
Date: 17/12/2020

Place: Mysore  
Date: 17/12/2020

Place: Bangalore  
Date: 17/12/2020

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

Particulars	31.03.2020 (₹)	31.03.2019 (₹)
<b>[A.] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation and, exceptional items	13,37,74,930	13,06,91,909
Adjustments for :		
Depreciation and Amortisation	6,33,12,007	5,04,09,655
Interest Income	(75,25,859)	(62,35,569)
Finance costs	22,53,55,830	18,71,66,217
Interest on Income tax	55,80,650	49,66,568
Profit on sale of Mutual funds	(10,16,798)	-
(Profit)/ Loss on sale of fixed assets	(50,000)	4,66,050
Bad debts written off	49,40,259	2,25,37,094
Unrealised Foreign Exchange (Gain)/Loss	1,14,60,252	(1,55,04,799)
	<u>30,20,56,341</u>	<u>24,38,05,215</u>
Operating Profit before working capital changes	<u>43,58,31,271</u>	<u>37,44,97,124</u>
Adjustments for :		
(Increase)/ decrease in Inventories	(23,59,33,545)	(35,29,88,498)
(Increase)/ decrease in Trade Receivables	28,45,91,649	9,55,89,596
(Increase)/ decrease in Loans and Advances and other current assets	(10,73,50,246)	(2,42,50,755)
Increase/ (decrease) in Trade Payables	(41,64,017)	(6,78,04,139)
Increase/ (decrease) in Other Liabilities and Provisions	(2,13,16,498)	(57,97,149)
	<u>(8,41,72,657)</u>	<u>(35,52,50,945)</u>
Cash generated from operations	<u>35,16,58,614</u>	<u>1,92,46,180</u>
Direct taxes paid	(1,72,67,195)	(6,45,70,810)
Net Cash from/ (used in) operating activities (A)	<u>33,43,91,419</u>	<u>(4,53,24,630)</u>
<b>[B.] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / CWIP	(18,85,34,564)	(10,92,44,248)
Interest Received	75,25,859	62,35,569
Sale Proceeds/(Investment) in Mutual Funds (net)	54,86,598	(1,80,000)
Investments in Equity shares of subsidiary company	-	(14,99,900)
Sale of Fixed Assets	50,000	3,80,000
Net Cash Flow from/ (used in) Investing Activities (B)	<u>(17,54,72,107)</u>	<u>(10,43,08,579)</u>
<b>[C.] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unsecured Loans (repayment)/ receipt	(22,03,22,690)	1,63,51,438
Secured Loans (repayment)/ receipt	8,37,34,914	55,81,41,699
Interest paid (repayment)/ receipt	(22,53,55,830)	(18,71,66,217)
Net Cash Flow from/ (used in) Financing Activities ( C )	<u>(36,19,43,605)</u>	<u>38,73,26,919</u>
Net increase/ ( decrease ) in Cash and Cash equivalents [A+B+C]	<u>(20,30,24,292)</u>	<u>23,76,93,710</u>
Cash and cash equivalents as at April 1, 2019		
Cash and Bank Balances	31,83,78,390	8,06,84,680
Cash and cash equivalents as at March 31, 2020		
Cash and Bank Balances	11,53,54,098	31,83,78,390
	<u>(20,30,24,292)</u>	<u>23,76,93,710</u>





\* Cash and Bank Balances includes ₹.6,10,07,795 /- [PY: ₹.6,26,14,505 /-] of earmarked bank deposits, which however is encashable on request without any additional cost and ₹.3,25,78,314 /- (PY : ₹.5,89,55,873 /-) held as margin money by the bank for issue of guarantees and letter of credit on behalf of the company [Refer Note 16]

**[Notes]**


[1] The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2020 and the related Profit and Loss Statement for the year ended on that date.

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

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

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

As per our report of the even date attached

  
Ramesh Kunhikannan  
Managing Director  
[DIN: 02063167]

  
Jairam P Sampath  
Whole Time Director  
[DIN: 08064368]

For VARMA & VARMA  
Chartered Accountants  
Firm Registration No: 004532S

  
N Srividhya  
Company Secretary

  
Cherian K Baby  
Partner  
M No: 016043

Place: Mysore  
Date: 17/12/2020

Place: Mysore  
Date: 17/12/2020



Place: Bangalore  
Date: 17/12/2020

## KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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#### Corporate Information:

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

The Company is headquartered at Mysore and has its 10 manufacturing facilities and 2 Service Centres at 8 locations in India.

#### Significant Accounting Policies

##### i) Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on accrual basis. IGAAP comprises mandatory accounting standards Companies (Accounting Standards) Rules, 2006 as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### ii) Use of Estimates

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

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

##### iii) Cash Flow Statement

Cash Flow Statement has been prepared in accordance with AS 3 (Cash flow statements) specified under the Companies Act, 2013 using the indirect method to determine cash flows from operating activities.

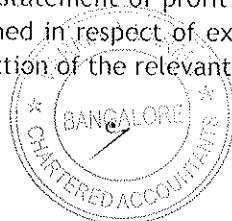
##### iv) Revenue Recognition

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

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

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



## KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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#### v) Fixed assets, Depreciation and Amortisation

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

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

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

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

##### b) Intangible Assets

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

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

##### c) Depreciation/Amortisation

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

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

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

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

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

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



## KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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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.

vi) **Government Grants**

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

vii) **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.

viii) **Investments**

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

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

ix) **Employee Benefits**

**a. Short term employee benefits:**

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



## KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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#### **b. Defined-contribution plans:**

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

#### **c. Defined-benefit plans:**

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

#### **d. Other long term employee benefits:**

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

#### **x) Research & Development**

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

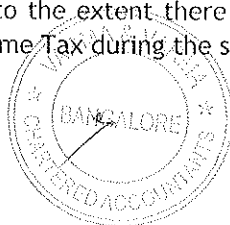
#### **xi) Taxation**

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

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

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

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



## KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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#### xii) Foreign Currency Transactions

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

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

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

#### xiii) Forward exchange contracts

Forward contracts in foreign exchange are entered into by the company mainly to hedge its net foreign currency exposure arising out of highly probable forecast transactions which are not covered by AS 11 (The effect of change in foreign exchange rate) notified under Companies (Accounting Standards) Rules, 2006. Hence the company follows the guidance note on Accounting for Derivatives contracts issued by ICAI which is in effect from 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.

#### xiv) Borrowing Costs

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

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

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

#### xv) Inventories

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

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

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

#### xvi) Customs Duty and Excise Duty

(a) Excise Duty in respect of goods sold is reduced from Sales.

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



## KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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#### xvii) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are neither recognised nor disclosed in the accounts.

#### xi) Earnings per share

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

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

*[This space is left blank intentionally]*



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

2 Share Capital	31.03.2020 (₹)	31.03.2019 (₹)
Authorised : 70,00,000 (2019 : 70,00,000) Equity Shares of ₹. 10/- each	7,00,00,000	7,00,00,000
Issued, Subscribed and Paid up 67,99,992 (2019 : 67,99,992) Equity Shares of ₹. 10/- each	6,79,99,920	6,79,99,920
	<b>6,79,99,920</b>	<b>6,79,99,920</b>

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

Equity Shares outstanding:	31.03.2020		31.03.2019	
	No. of shares	(₹)	No. of shares	(₹)
At the beginning of the year	67,99,992	6,79,99,920	67,99,992	6,79,99,920
Issued during the year	-	-	-	-
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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend, if any, proposed by the Board of Directors is subject to the prior written consent of the Debenture Trustee and the approval of the shareholders 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:

Particulars	31.03.2020		31.03.2019	
	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 31.03.2020

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 2017-18	16,99,992	1,69,99,920

The Company has issued 16,99,992 fully paid equity shares of ₹.10 each during that year pursuant to 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 share held in the company.

c. No shares were bought back.

3 Reserves and Surplus

	31.03.2020	31.03.2019
<b>Securities Premium</b>		
Balance as at the beginning of the year	75,09,880	75,09,880
Less : Utilised towards issue of bonus shares	-	-
<b>Closing Balance</b>	<b>75,09,880</b>	<b>75,09,880</b>
<b>Debenture Redemption Reserve</b>		
Balance as at the beginning of the year	8,00,00,000	3,75,00,000
Add : Additions during the year (refer note below)	-	4,25,00,000
Less : Utilised towards redemption of debentures ( IL&FS)	1,16,87,500	-
	<b>6,83,12,500</b>	<b>8,00,00,000</b>





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

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

<b>General Reserve</b>			
Balance as at the beginning of the year		5,00,00,000	5,00,00,000
Add :Transfer from Debenture Redemption Reserve		1,16,87,500	
Closing Balance		<u>6,16,87,500</u>	<u>5,00,00,000</u>
<b>Surplus in the profit and loss statement</b>			
Balance as at the beginning of the year		73,00,18,042	67,99,99,366
Net Surplus in the profit and loss statement		11,34,46,964	9,25,18,675
Appropriations :			
Less :Transfer to Debenture Redemption Reserve		-	4,25,00,000
		<u>84,34,65,006</u>	<u>73,00,18,042</u>
<b>Total Reserves and Surplus</b>		<u>98,09,74,886</u>	<u>86,75,27,922</u>

4 Long-term borrowings

	Non-current portion		Current portion	
	31.03.2020 (₹)	31.03.2019 (₹)	31.03.2020 (₹)	31.03.2019 (₹)
<b>Debentures</b>				
Unsecured Debentures	-	15,00,00,000	15,00,00,000	-
Secured Debentures	7,65,00,000	12,32,50,000	4,67,50,000	4,67,50,000
<b>Term Loans</b>				
From Others				
Secured	79,26,634	16,87,053	75,50,334	70,44,450
Unsecured	-	68,18,501	55,26,504	1,57,35,809
<b>Vehicle Loan</b>				
From Bank - Secured	1,32,00,591	1,37,00,842	46,49,594	40,43,007
From Others - Secured	3,28,889	-	4,38,332	-
	<u>9,79,56,114</u>	<u>29,54,56,396</u>	<u>21,49,14,764</u>	<u>7,35,73,266</u>
The above amount includes				
Secured borrowings	9,79,56,114	13,86,37,895	5,93,88,260	5,78,37,457
Unsecured borrowings	-	15,68,18,501	15,55,26,504	1,57,35,809
Amount disclosed under the head "Other current liabilities"[refer note 9]	-	-	(21,49,14,764)	(7,35,73,266)
Net amount	<u>9,79,56,114</u>	<u>29,54,56,396</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. The Maturity date of the above debentures has been extended by the holders till 13.10.2020 due to COVID-19 pandemic through letter dated 28-05-2020.

(ii) 1,700 Unrated, secured, unlisted, Non Convertible Debentures of face value ₹. 1,00,000/- with a coupon rate of 16% p.a. payable at monthly advance rest repayable in 16 quarterly instalments with the first repayment starting from 30.06.2019 onwards. This is secured against hypothecation of specific plant & machinery and specific receivables. These are guaranteed by the personal guarantee 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 these debentures aggregating to ₹.4.68 Crores (PY ₹.4.68 Crores) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9 )



[b.] Notes on Long Term Borrowings- Secured

(i) 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 [PY:13.25%]. The loan is secured by hypothecation of plant and machinery acquired using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loans aggregating to ₹. 23.59 lakhs (PY ₹.58.85Lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

(ii) Sundaram Finance Ltd- Secured term loan-1 of ₹. 44.70 lakhs is repayable in 47 monthly instalments along with interest at 13.50% per annum [PY: 13.50%]. The loan is secured by hypothecation of plant and machinery acquired using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 13.27 lakhs (PY : ₹. 11.59 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9) Charge is pending to be registered with ROC for this loan.

(iii) Sundaram Finance Ltd- Secured term loan-2 of ₹. 1.68 Crores is repayable in 48 monthly instalments along with interest at 13.50% [PY: NA] per annum. The loan is secured by hypothecation of plant and machinery acquired using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹.38.63 lakhs is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

[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. (PY: 12.75%) which is secured by a charge on the personal property of the director Mr. Ramesh Kunhikannan, situated at SY 60, Kizhunna desom, Kannur and LIC policy of Ramesh Kunhikannan 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 ₹. 55.26 Lakhs (PY: ₹. 1.49 crores) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9)

(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 ₹. Nil (PY: ₹. 8.06 lakhs) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).The Loan was closed during this year.

[d.] Notes on Vehicle Loans

Vehicle loans from bank is repayable in 24 to 48 monthly instalments along with the interest at rates ranging from 8.85% to 9.80% per annum. The loan is secured against the vehicles purchased using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 46.49 lakhs (PY ₹. 40.43 lakhs ) is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

Vehicle loan from others for ₹. 9 lakh is repayable in 24 monthly instalments along with the interest at the rate of 15.12% per annum. The loan is secured against the vehicle purchased using this loan. The principal amount falling due within a period of 12 months from the balance sheet date on this loan aggregating to ₹. 4.38 lakhs is disclosed under other current liabilities as current maturities of long term borrowings (refer note 9).

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

5 Deferred Tax Liability (Net)

	31.03.2020 (₹)	31.03.2019 (₹)
Deferred tax liability		
Fixed assets: timing differences on account of depreciation allowance.	9,51,08,671	9,13,22,422
Gross deferred tax liability	9,51,08,671	9,13,22,422
Deferred tax asset		
Expenses: timing differences on expenses allowable on payment basis.	1,10,97,755	1,16,53,520
Gross deferred tax asset	1,10,97,755	1,16,53,520
Net deferred tax liability	8,40,10,917	7,96,68,902



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

6 Long term provisions

	Non-current portion		Current portion	
	31.03.2020 (₹)	31.03.2019 (₹)	31.03.2020 (₹)	31.03.2019 (₹)
Provision for employee benefits				
Gratuity [refer note 31]	2,13,54,336	1,80,26,120	21,15,113	57,57,392
Compensated Absences [refer note 31]	41,69,228	44,67,344	3,28,285	5,39,824
	<u>2,55,23,564</u>	<u>2,24,93,464</u>	<u>24,43,398</u>	<u>62,97,216</u>
Amount disclosed under the head "Short Term Provisions" [refer note 10]		-	(24,43,398)	(62,97,216)
Net amount	<u>2,55,23,564</u>	<u>2,24,93,464</u>	<u>-</u>	<u>-</u>

7 Short-term borrowings

	31.03.2020 (₹)	31.03.2019 (₹)
Short term Unsecured loans from shareholders	1,42,00,000	7,38,00,000
Loans Repayable on demand :		
- From Banks		
Cash Credit - Secured	96,14,83,972	65,78,46,940
Rupee Packing Credit - Secured	10,01,20,229	32,41,03,512
Foreign Currency Bills Discounted - Secured	-	5,54,21,418
Foreign Currency Packing Credit - Secured	-	4,26,83,554
- From Other Parties		
Rupee Packing Credit - Unsecured	-	-
Rupee demand loan - Unsecured	2,95,95,815	3,35,00,000
	<u>1,10,54,00,017</u>	<u>1,18,73,55,424</u>
	<u>31.03.2020 (₹)</u>	<u>31.03.2019 (₹)</u>
The above amount includes		
Secured borrowings	1,06,16,04,202	1,08,00,55,424
Unsecured borrowings	4,37,95,815	10,73,00,000
Net amount	<u>1,10,54,00,017</u>	<u>1,18,73,55,424</u>

[Notes]

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

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 which has approved a cash credit, packing credit and bill discounting facility to the extent of ₹. 56 Crores holds 52.80% share of the above securities with a paripassu charge held by Sarswath Bank Limited and State Bank of India. Further these loans have been guaranteed by the personal guarantee of two whole time directors of the company.

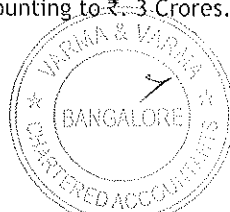
c) Saraswat Bank Limited has approved a cash credit facility of ₹. 37 crores on 01-10-2018 which is secured against hypothecation of Stocks, Book debtors, Land and Buildings with paripassu charge in favour of Canara bank and State Bank of India. Documentation and modification of charge for this are complete.

d) State Bank Of India has approved a cash credit facility of ₹. 17 crores on 05-02-2020 where the securities hypothecated with Canara Bank and Saraswat Bank Limited shared on paripassu basis. Documentation and modification of charge for this are complete.

e) Rupee demand loan from Bajaj Finserv Limited has been repaid or rolled over at the request of the company.

f) Canara Bank: pledge of 30% shares of the company held by one of the directors in favour of the bankers.

g) Rupee demand loan amounting to ₹. 3 crores from Oxyzo Financial Services Private Limited is secured by Unconditional and irrevocable bank guarantee amounting to ₹. 3 Crores.



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

8 Trade Payables

	31.03.2020 (₹)	31.03.2019 (₹)
Total outstanding dues of micro and small enterprises [refer note below]	4,01,65,198	66,68,376
Total outstanding dues of creditors other than micro and small enterprises	86,56,21,678	87,88,63,922
	<b>90,57,86,876</b>	<b>88,55,32,298</b>

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

Overdue amount outstanding at the end of the year	3,27,09,920	38,56,742
Principal amount (except overdue amount) outstanding at the end of the year	64,51,812	28,11,634
Interest paid after due date during the year.	-	-
Interest amount accrued and remaining unpaid at the end of the year	10,03,467	4,86,280

9 Other current liabilities

	31.03.2020 (₹)	31.03.2019 (₹)
<b>Other Liabilities</b>		
Current Maturities of long-term debts [refer note 4]	21,49,14,764	7,35,73,266
Interest accrued but not due on borrowings	16,83,105	1,56,686
Rent Deposit	-	15,00,000
<b>Others</b>		
Trade Payables [Capital Goods]	1,59,40,452	-
Dues to employees [Refer note below]	3,94,43,644	5,02,64,128
Statutory dues payable	2,77,34,066	1,86,26,552
Advance from customers	98,75,658	2,71,55,469
	<b>30,95,91,690</b>	<b>17,12,76,101</b>

[Notes]

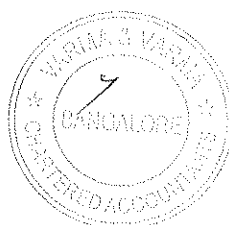
Dues to employees include due to related parties:

- Ramesh Kunhikannan	6,50,800	3,17,800
- Savitha Ramesh	3,30,800	3,77,800
- Premita Ramesh	80,800	1,54,800
- Govind Shasiprasad Menok	2,41,800	-
- Jairam P Sampath	3,36,800	99,800

10 Short term provisions

	31.03.2020 (₹)	31.03.2019 (₹)
Compensated Absences [refer note 6]	3,28,285	5,39,824
Gratuity [refer note 6]	21,15,113	57,57,392
Income Tax (Net of Advance tax paid and TDS)	1,64,78,365	1,21,78,959
	<b>1,89,21,763</b>	<b>1,84,76,175</b>

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KAYNES TECHNOLOGY INDIA PRIVATE LIMITED  
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11. (i) Tangible assets		(Amounts in ₹.)										
Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Electrical Fittings	Computers	Vehicles	Airconditioners	Leasehold Improvement	Total
Gross Block at cost												
As at March 31, 2018	45,33,125	1,43,19,410	8,93,93,283	44,05,49,889	2,99,52,262	1,14,38,737	1,32,43,965	1,79,38,494	3,74,05,905	70,04,938	63,65,923	67,21,45,931
Additions	-	-	-	3,14,34,785	44,50,178	8,71,564	3,75,251	37,95,530	1,70,04,910	22,72,385	36,94,335	6,38,98,937
Disposal:												
As at March 31, 2019	45,33,125	1,43,19,410	8,93,93,283	47,19,84,674	3,44,02,440	1,23,10,301	1,36,19,216	2,17,34,024	5,45,10,815	92,77,323	1,00,60,258	73,31,59,462
Additions [2]	-	1,29,76,200	1,19,48,895	6,11,42,796	58,54,340	14,70,227	33,67,312	9,12,969	64,45,910	5,44,090	26,50,417	10,73,13,156
(Transfer)/Adjustment [3]	-	(69,58,000)	69,58,000	(3,99,840)	-	-	-	-	-	-	-	(3,99,840)
Adjustment for grant received	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	14,87,841	-	-	14,87,841
As at March 31, 2020	45,33,125	2,03,37,610	10,83,00,178	53,27,27,630	4,02,56,780	1,37,80,528	1,69,86,528	2,26,46,993	5,64,83,478	98,21,413	1,27,10,675	83,85,84,937
Accumulated Depreciation												
Up to April 1, 2018	-	-	1,15,49,907	15,11,71,366	1,71,07,344	83,27,795	89,35,320	1,58,51,355	1,97,38,076	56,80,007	51,08,145	24,34,69,316
Charge for the year 2018-19	-	-	22,61,284	2,95,56,724	27,10,737	14,83,830	11,48,276	32,48,959	50,64,041	8,08,783	15,76,008	4,78,58,641
On Disposal	-	-	-	-	-	-	-	-	20,39,356	-	-	20,39,356
Up to March 31, 2019	-	-	1,38,11,191	18,07,28,090	1,98,18,081	98,11,625	1,00,83,596	1,91,00,313	2,27,62,761	64,88,790	66,84,153	28,92,88,601
Charge for the year 2019-20	-	-	26,47,420	3,45,18,103	30,36,230	14,68,785	7,32,127	20,20,292	54,19,922	10,28,224	20,79,341	5,29,50,444
On Disposal	-	-	-	-	-	-	-	-	14,87,841	-	-	14,87,841
Up to March 31, 2020	-	-	1,64,58,611	21,52,46,193	2,28,54,311	1,12,80,409	1,08,15,723	2,11,20,605	2,66,94,842	75,17,014	87,63,494	34,07,51,203
Balance as at March 31, 2020	45,33,125	2,03,37,610	9,18,41,568	31,74,81,437	1,74,02,469	25,00,119	61,70,804	15,26,388	2,97,88,637	23,04,398	39,47,181	49,78,33,734
Balance as at March 31, 2019	45,33,125	1,43,19,410	7,55,82,092	29,12,56,584	1,45,84,359	24,98,676	35,35,620	26,33,711	2,87,62,648	27,88,533	33,76,105	44,38,70,861

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

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

[3] In a previous year the company had acquired certain leasehold land together with building measuring about 750 sq meter which is eligible for being converted into freehold land by KIADB who is the lessor which is pending. During the year the value of this building has been ascertained from an independent valuer and the same has been transferred to buildings.

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



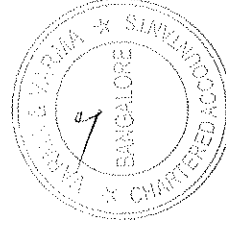
KAYNES TECHNOLOGY INDIA PRIVATE LIMITED  
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(i) Intangible assets (Amounts in ₹.)

Particulars	Intangibles & Software	Total
Gross Block at cost		
As at March 31, 2018	2,43,28,081	2,43,28,081
Additions/Adjustment	3,13,72,923	3,13,72,923
Disposal/Adjustment	-	-
As at March 31, 2019	5,57,01,004	5,57,01,004
Additions/Adjustment (Refer Note No: 35)	88,14,713	88,14,713
Disposal/Adjustment	-	-
As at March 31, 2020	6,45,15,716	6,45,15,716
Accumulated Amortisation		
Up to April 1, 2018	69,02,250	69,02,250
Charge for the year/Adjustment	25,51,014	25,51,014
Disposal/Adjustment	-	-
Up to March 31, 2019	94,53,264	94,53,264
Charge for the year/Adjustment	1,03,61,564	1,03,61,564
Disposal/Adjustment	-	-
Up to March 31, 2020	1,98,14,828	1,98,14,828
Balance as at March 31, 2020	4,47,00,888	4,47,00,888
Balance as at March 31, 2019	4,62,47,740	4,62,47,740

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

Particulars	Tangible Assets		Total
	Intangible Assets under Development	Construction or Installation	
As at March 31, 2018	-	1,43,71,854	1,43,71,854
Additions/Adjustment	-	75,85,011	75,85,011
Disposal/Adjustment	-	-	-
As at March 31, 2019	4,42,27,613	2,19,56,865	6,61,84,478
Additions/Adjustment (Refer Note No: 35)	-	2,39,35,976	2,39,35,976
Capitalization of Interest	-	38,60,586	38,60,586
As at March 31, 2020	4,42,27,613	4,97,53,427	9,39,81,040



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED  
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12 Non-current investments

	31.03.2020 (₹)	31.03.2019 (₹)
<b>Trade investments (Valued at cost unless stated otherwise)</b>		
<b>Investments in equity Instruments of Subsidiaries (Unquoted)</b>		
Kaynes Embedded System Private Limited	30,00,000	30,00,000
Less: Provision for diminution in value	(30,00,000)	(30,00,000)
Kemsys Technologies Private Limited	50,00,000	50,00,000
Kaynes International Design & manufacturing Private Limited	14,99,900	14,99,900
Kaynes Technology Europe GmbH	92,41,162	92,41,162
<b>Investments in equity Instruments- Others (Unquoted)</b>		
Winfoware Technologies Limited	1,08,02,500	1,08,02,500
Mysore ESDM Cluster	25,000	25,000
	<b>2,65,68,562</b>	<b>2,65,68,562</b>
<b>Investments in Mutual Funds (Quoted)</b>		
Canara Robeco Capital Protection Oriented Fund 4,00,000 units at ₹. 10 [PY: 8,49,980 units at ₹.10 ]	40,00,000	84,99,800
Canara Robeco Emerging Equities - Regular Growth fund - 2,273.130 units of ₹. 87.91 each [PY: 2273.130 units of ₹.87.91 each]	1,99,850	1,99,850
Canara Robeco Emerging Equities - Regular Growth fund - 315.66 units of ₹ 95.04 each [PY:315.66 units of ₹. 95.04 each]	30,000	30,000
Canara Robeco Balance regular growth- Regular Growth fund - 976.665 units at ₹.143.24 each [PY: 789.647 units at ₹.139.17 each]	1,39,900	1,09,900
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: 1,711 units at ₹.46.7124 each]	79,925	79,925
Canara Robeco Large Capital Fund - Regular Growth Fund- 6,474.126 units of ₹.21.6129 each [PY: 6,474.126 units of ₹.21.6129 each]	1,39,925	1,39,925
Canara Robeco Large Capital Fund - Regular Growth Fund- 1,320.212 units of ₹.22.7201 each [PY: 1320.212 units of ₹.22.7201 each]	30,000	30,000
Canara Robeco Consumer Trends Fund - Regular Growth - 1,083.756 units of ₹. 36.9086 each [PY: 1,083.756 unit of ₹. 36.9086 each]	40,000	40,000
Canara Robeco Equity Diversified - Regular Growth- 404,530 units of ₹.123.6002 each [PY: 404,530 units of ₹.123.6002 each]	50,000	50,000
	<b>47,29,600</b>	<b>91,99,400</b>
<b>Net amount</b>	<b>3,12,98,162</b>	<b>3,57,67,962</b>
Aggregate amount of Unquoted investments	2,65,68,562	2,65,68,562
Aggregate amount of provision for diminution in value of investments	30,00,000	30,00,000
Quoted NAV of investments	51,42,844	1,05,28,060

12.1 Investments in equity instruments of subsidiaries

a) Investment in Kaynes Embedded System Private Limited, 30,000 equity shares of ₹.100 each (2019: 30,000 equity shares) of ₹.100/- each, constitutes 60% (2019: 60%) of the capital of that company.

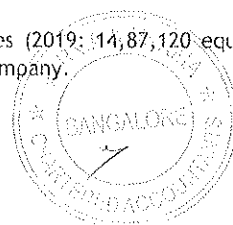
b) Investment in Kemsys Technologies Private Limited 50,00,000 (of this 10 shares held by the nominee) equity shares (2019: 50,00,000) of face value of ₹.1/- each purchased at par, constitutes 100% (2019: 100%) of the capital of that company.

c) Investment in Kaynes Technology Europe GmbH- 270 equity shares (of this 27 shares held by the nominee) ₹. 92,41,162/- (2019: ₹. 92,41,162/-), constitutes 60% of capital of that company.

d) Investment in Kaynes International Design & manufacturing Private Limited- 1,49,990 equity shares ₹. 14,99,900/- (2019: ₹. Nil), constitutes 95.21% (PY:99.99%) of capital of that company.

12.2 Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (2019: 14,87,120 equity shares) face value of ₹ each purchased at a premium, constitutes 18.98% of the capital of that company.



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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:14.29%] of the capital of that company.

13 Long-term loans and advances

	Non-current portion		Current portion	
	31.03.2020 (₹)	31.03.2019 (₹)	31.03.2020 (₹)	31.03.2019 (₹)
Capital Advances - Unsecured, considered good	3,50,20,585	1,82,97,773	-	-
Security Deposit				
Unsecured, Considered good				
Rent Deposit	1,82,15,684	1,87,99,836	-	-
Utility Deposit	31,53,798	31,32,528	-	-
EMD Deposit	-	-	62,04,174	64,54,791
Deposit against performance bank Guarantee	-	-	19,67,515	-
Loans and advances to related parties				
Unsecured, considered doubtful	-	-	37,91,722	37,04,722
Less : Provision for doubtful advances	-	-	(37,91,722)	(37,04,722)
Unsecured, considered good	-	-	8,54,57,987	9,66,56,326
Advances recoverable in cash, kind or for value to be received				
Unsecured considered good	1,29,60,400	91,47,298	-	-
Other loans and advances				
Balance with statutory/government authorities - Unsecured [Refer note 17]	39,59,835	24,70,215	2,92,46,310	1,69,06,411
Advance Income Tax (Net of Provisions)	18,83,939	35,76,298	-	-
Loan and advances to employees	-	-	91,52,461	98,80,222
	7,51,94,242	5,54,23,948	13,20,28,448	12,98,97,750
Amount disclosed under the head "Short term Loans and Advances" [refer note 17]	-	-	(13,20,28,448)	(12,98,97,750)
<b>Net amount</b>	<b>7,51,94,242</b>	<b>5,54,23,948</b>	<b>-</b>	<b>-</b>
The above amount includes				
Unsecured, considered good	7,51,94,242	5,54,23,948	13,20,28,448	12,98,97,750

[Notes]

[13.1] Loans to related parties include ₹. 3.92 crores (PY ₹. 3.92 Crore) given to Kemsys Technologies Private Limited (Wholly-Owned Subsidiary) carrying interest of 8% per annum [PY: 8% per annum]. An amount due from directors against employee loans given to them ₹. 2,08,27,045/- (PY: ₹. 3,09,71,197/-). Balance represents advances given to other subsidiaries and associates in the normal course of business with them. Since there is no fixed repayment schedule stipulated for these advances to related parties the same has been classified as a current asset.

[13.2] Balance with statutory and government authorities 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 as mentioned in Note 27.6.

14 inventories

	31.03.2020 (₹)	31.03.2019 (₹)
Raw Materials and Components	1,00,94,66,504	94,01,59,614
Work in progress-Goods	11,45,54,167	10,26,12,716
Work in progress - Services	6,23,30,189	3,17,00,416
Finished Goods	18,87,13,029	6,26,57,772
Stores and spares	2,96,94,772	2,26,17,269
Goods In Transit	3,16,78,496	4,07,55,825
	1,43,64,37,157	1,20,05,03,612

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





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

15 Trade Receivable

	31.03.2020 (₹)	31.03.2019 (₹)
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9,74,68,635	9,85,69,727
Unsecured, considered Doubtful	-	8,53,729
	9,74,68,635	9,94,23,456
Less: Provision for doubtful receivable	-	8,53,729
Net total	9,74,68,635	9,85,69,727
Others		
Unsecured, considered good	83,15,07,712	1,10,69,80,183
Total	83,15,07,712	1,10,69,80,183
	92,89,76,347	1,20,55,49,910

16 Cash and Bank Balances

	31.03.2020 (₹)	31.03.2019 (₹)
Cash and Cash Equivalents		
In cash credit account <sup>[1]</sup>	13,773	18,92,30,534
In current accounts	6,47,829	30,21,482
In EEFC account	1,54,952	1,33,936
Cash on hand	1,66,413	2,00,324
	9,82,966	19,25,86,276
Other bank balances		
Other earmarked balances <sup>[2]</sup>	7,72,76,380	6,26,14,505
Margin Money <sup>[3]</sup>	3,25,78,314	5,89,55,873
Other Deposits	45,16,438	42,21,736
	11,43,71,132	12,57,92,114
Total	11,53,54,098	31,83,78,390

[1] Represents the debit balance in Ratnakar Bank Limited (RBL) (PY: ₹. 18.92 Crores in Kotak Mahindra Bank).

[2] Other earmarked balances include deposits encumbered with a bank ₹. 6,10,07,795/- for providing working capital facility and is readily encashable.

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

17 Short-term loans and advances

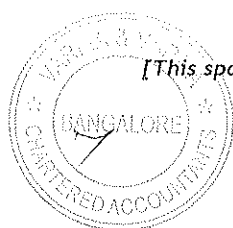
	31.03.2020 (₹)	31.03.2019 (₹)
Other loans and advances - Unsecured considered good		
Long-term loans and advances - Current Portion [Refer note 13]	10,27,82,138	11,29,91,340
Balance with statutory/government authorities [Refer note 17.1]	2,92,46,310	1,69,06,411
Prepaid expenses	1,87,18,860	2,84,65,373
Advance paid to Suppliers	19,81,26,651	10,06,73,603
Minimum Alternate Tax- Credit Entitlement	81,41,115	-
Total	35,70,15,074	25,90,36,727

Notes:

17.1-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.

18 Other current assets

	31.03.2020 (₹)	31.03.2019 (₹)
Others		
Interest accrued	1,17,86,456	90,50,587
Grant Receivable	35,88,549	-
Total	1,53,75,005	90,50,587



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

19 Revenue from operations

	31.03.2020 (₹)	31.03.2019 (₹)
Sale of products		
Export Sales	63,38,33,295	57,20,34,950
Domestic Sales	2,64,00,42,284	2,69,00,55,423
Sale of services	32,95,32,310	26,63,39,836
Revenue from operations (Net)	3,60,34,07,889	3,52,84,30,210

20 Other Income

	31.03.2020 (₹)	31.03.2019 (₹)
Interest Income (Gross)		
On Fixed deposits	75,25,859	62,35,569
On Advances	66,64,308	62,91,486
Export incentives	55,12,620	96,30,392
Rent received	-	18,67,572
Profit on sale of mutual funds	10,16,798	-
Profit on sale of fixed assets	50,000	-
Miscellaneous Income	3,686	4,556
	2,07,73,271	2,40,29,575

21 Cost of raw materials and components consumed

	31.03.2020 (₹)	31.03.2019 (₹)
Inventory at the beginning of the year		
Raw Materials and Components	94,01,59,615	65,17,57,377
Add: Purchases	2,64,73,79,305	2,67,99,78,551
	3,58,75,38,920	3,33,17,35,928
Less: Inventory at the end of the year		
Raw Materials and Components	1,00,94,66,504	94,01,59,615
	2,57,80,72,416	2,39,15,76,313
Less: Research and Development Expenditure (Considered Separately in Note No. 25)	2,07,29,454	1,34,66,602
Cost of raw materials and components consumed	2,55,73,42,962	2,37,81,09,711

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

	31.03.2020 (₹)	31.03.2019 (₹)
Closing Stock		
Finished Goods	18,87,13,029	6,26,57,772
Work-in-progress-Goods	11,45,54,167	10,26,12,716
Work-in-progress-Service	6,23,30,189	3,17,00,416
	36,55,97,385	19,69,70,903
Less:		
Opening Stock		
Finished Goods	6,26,57,772	6,45,69,389
Work-in-progress-Goods	10,26,12,716	8,84,78,450
Work-in-progress-Service	3,17,00,416	-
	19,69,70,903	15,30,47,839
	(16,86,26,482)	(4,39,23,064)



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

23 Employee Benefits expense

	31.03.2020 (₹)	31.03.2019 (₹)
Salaries and Wages	39,03,25,270	37,06,02,211
Contribution to Provident and other funds	1,36,28,231	2,12,43,604
Staff welfare expenses	4,11,91,107	3,97,20,566
	<b>44,51,44,609</b>	<b>43,15,66,381</b>
Less: Research and Development Expenditure (Considered Separately in Note No. 25)	4,23,25,202	4,00,54,577
Less: Intangible Assets Capitalized (Refer Note No 35)	83,72,310	-
<b>Total</b>	<b>39,44,47,096</b>	<b>39,15,11,804</b>

24 Finance costs

	31.03.2020 (₹)	31.03.2019 (₹)
Interest		
- On Term/Vehicle Loans	1,04,10,020	96,22,250
- On Working Capital Loans	14,48,81,158	11,30,22,718
- On Debentures	5,15,60,860	4,61,55,981
- On delayed payment of Income Tax &TDS	55,80,650	49,66,568
- On delayed payment of other taxes	95,01,004	61,13,127
- Others	19,68,542	-
Loan processing Fees	53,14,182	72,85,573
	<b>22,92,16,416</b>	<b>18,71,66,217</b>
Less: Capitalization of Interest (Refer Note No 11(iii))	38,60,586	-
<b>Total</b>	<b>22,53,55,830</b>	<b>18,71,66,217</b>

25 Research and Development Expenditure

	31.03.2020 (₹)	31.03.2019 (₹)
Raw Materials, Components and Consumables	2,07,29,454	1,34,66,602
Salaries and Wages	4,23,25,202	3,95,37,418
Staff Welfare Expenses	-	5,17,159
Professional Charges	3,00,000	35,79,529
Communication expenses	3,75,624	4,00,030
Travelling and Conveyance	14,30,036	9,66,563
	<b>6,51,60,316</b>	<b>5,84,67,301</b>
Less: Grant Received (Refer Note No 35)	42,44,709	-
	<b>6,09,15,607</b>	<b>5,84,67,301</b>
Less : Capitalised as Intangible Assets/Intangible Assets under development	4,46,70,016	3,06,34,165
<b>Total</b>	<b>1,62,45,590</b>	<b>2,78,33,135</b>

26 Other Expenses

	31.03.2020 (₹)	31.03.2019 (₹)
Rent	2,84,53,351	2,61,94,550
Rates and Taxes	2,47,01,095	1,38,51,535
Printing and Stationery	39,49,297	46,58,489
Insurance	39,38,434	38,01,166
Discounts allowed	46,60,064	3,51,922
Donations	12,35,645	1,25,93,460
Power and Fuel	2,76,45,278	3,00,34,085
Labour and Processing Charges	7,44,26,633	6,83,22,626



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

Stores, Spares and Consumables Consumed	7,89,00,905	7,25,70,687
Repairs and Maintenance:		
- Plant and Machinery	1,10,79,018	1,55,36,858
- Building	22,04,367	79,77,052
- Others	1,07,40,337	1,44,67,141
Security Charges	67,57,210	53,33,195
Legal and Professional Charges	1,76,05,242	2,08,18,824
Auditors Remuneration [Refer Note below]	12,30,000	11,65,000
Commission on Sales	1,30,88,128	1,38,83,851
LD/Claim Settled	5,82,848	61,09,519
Bank Charges	98,59,379	1,09,94,949
Communication expenses	72,23,297	56,38,934
Travelling and Conveyance	2,79,36,311	2,96,64,335
Advertisement and Business Promotion	1,25,03,875	1,71,62,958
Outward Freight and Forwarding	2,01,21,793	1,55,99,310
CSR expenditure	31,05,898	29,77,495
Bad Debts & advances Written Off, (net)	49,40,259	2,25,37,094
Loss on Foreign Exchange Fluctuation, (net)	70,73,314	1,19,46,252
Loss on sale of Fixed Assets		4,66,050
Miscellaneous Expenses	4,72,909	9,49,202
	<b>40,44,34,886</b>	<b>43,56,06,539</b>

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

- Travelling and Conveyance	14,30,036	9,66,563
- Communications	3,75,624	4,00,030
- Legal & Professional charges	3,00,000	35,79,529
	<b>21,05,660</b>	<b>49,46,122</b>

Total

**40,23,29,226**      **43,06,60,417**

Auditors' Remuneration :

	31.03.2020 (₹)	31.03.2019 (₹)
Statutory Audit	9,00,000	8,00,000
Tax Audit	2,00,000	2,00,000
Taxation Services	1,00,000	80,000
Other certification	30,000	85,000
	<b>12,30,000</b>	<b>11,65,000</b>

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

27 Contingent Liabilities and Commitments

Particulars	31.03.2020 (₹)	31.03.2019 (₹)
<b>Contingent Liabilities:</b>		
a) Claims against the company not acknowledged as debt		
Disputed Income Tax Demand [refer note 27.1]	-	23,87,630
Disputed Income Tax Demand - CPC Demand [refer note 27.2]	17,36,670	-
Disputed Income Tax Demand - CPC Demand [refer note 27.3]	75,64,783	-
Disputed Income Tax Demand - CPC Demand [refer note 27.4]	4,94,11,430	19,60,393
Disputed Income Tax Demand - CPC demand [refer note 27.5]	11,13,987	-
Disputed Sales tax Demands pending rectification [refer note 27.6]	5,07,38,662	-
Disputed Sales tax Demands pending [refer note 27.7]	10,41,19,725	-
b) Bank Guarantees for contractual performance	1,58,67,852	3,23,64,089
c) Bond Executed for Customs/Central Excise. Covered by Bank guarantee to the extent of ₹.1,04,11,000/- [PY: ₹.41,25,000/-]	27,82,14,000	23,50,00,000
d) Corporate Gaurantee to Subsidiary Company	2,00,00,000	-
<b>Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,00,98,653	5,10,32,369

27 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 relevant 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 thus cancelling the demand.

27 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 which is disputed in appeal.

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

27 The CPC demand at ₹. 4,94,11,430/- relates to mismatch of income/deductions/exemptions reported in the income Tax Returns and Form 16 for AY 2018-2019 against which rectification / application is pending.

28 The CPC Demand for AY 2019-20 relates to disallowance of certain expenses and difference in credit for Tax Deducted at Source. The company is in the process of filing an appeal against this.

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

28 Sale tax demand includes ₹ 3,28,44,797 /- along with interest of ₹ 1,77,97,974/- and Penalty of ₹ 95,891/- against non submission of C Forms for the assessment year 2015-2016. The Company has filed Rectification request and the matter is pending before Deputy Commissioner of Commercial Taxes VAT (Audit-2), Mysore Division. A sum of ₹ 21,00,000/- has been paid under protest against their demand.

28 Sale tax demand includes ₹ 6,05,34,724 /- along with interest of ₹ 4,35,85,001/- against non submission of C Forms for the assessment year 2014-2015. Company has filed appeal before Joint Commissioner Appeals of Commercial Taxes VAT Mysore Division and the decision is pending.

These demands have arisen due to non submission of certain forms most of which have been since submitted and management is confident of submitting in full and getting the demand reversed through rectification and hence no provision is considered necessary.

28 The investments in unquoted shares of various companies are strategic in nature and made with long term vision and hence no provision is considered necessary for the same presently having regard to their long term projection for business except in the case of subsidiary M/s Kaynes Embedded Systems Private Limited. Hence investment of ₹.30,00,000/- [PY: ₹.30,00,000] in that company is fully provided for. The loans and advances aggregating to ₹.37,04,722/- [PY: ₹.37,04,722] due from this party is also fully provided for.

Company's investment in M/s Kemsys Technologies Private Limited of ₹. 50,00,000/- and loans advanced ₹.3,92,12,224/- [PY: ₹.3,92,12,224] where net worth has eroded, is considered recoverable as the company has turned around and earned net profit for the last 3 years. The proposed activities and orders booked by that company also show good progress.



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

- 29 a) In the opinion of the management, current assets, loans and advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.
- b) Some of the trade Receivables, loans & advances and trade payables are subject to confirmation. Management is of the opinion that discrepancies, if any, that may arise on such reconciliation/confirmation will not have any material impact on the financial statements on a net basis.
- 30 The Company has an internal control system which is adequate considering the size and operations of the company. The company has an in-house team of accountants. The operations and activities of the company are supervised by the Directors of the Company on a day-to-day basis. They are also involved in the approval and processing of payments.

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

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

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

[a.] Defined Contribution Plans

(Amounts in ₹.)

Particulars	31.03.2020	31.03.2019
Employers' contribution to Provident Fund	28,03,048	24,16,123
Employers' contribution to Employee State Insurance	39,81,229	45,97,727
Employers' contribution to Employee's Pension Scheme 1995	63,62,231	54,84,008

[b.] Defined Benefit Plan

Gratuity -Funded obligation

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

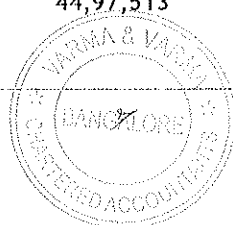
Compensated Absences- Unfunded obligation

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

i. Actuarial Assumptions	Compensated Absences		Gratuity	
	2020	2019	2020	2019
Discount Rate (per annum)	7.00%	7.75%	7.00%	7.75%
Expected return on plan assets	NA	NA	7.00%	7.75%
Salary escalation rate*	5.00%	6.00%	5.00%	6.00%
Mortality rate	IALM 12-14 Ultimate	IALM 06-08 Ultimate	IALM 12-14 Ultimate	IALM 06-08 Ultimate

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

ii. Reconciliation of Obligation	Compensated Absences		Gratuity	
	2020	2019	2020	2019
Present value of obligation at the beginning of the year	50,07,168	42,10,072	3,13,79,956	2,44,22,113
Current Service Cost	13,28,491	16,62,531	49,94,681	49,29,762
Past Service cost	-	-	-	-
Interest Cost	3,50,502	3,26,281	21,96,597	18,92,714
Actuarial (gain)/ loss	(21,88,648)	(11,91,716)	(69,95,921)	15,49,082
Benefits Paid	-	-	5,94,692	14,13,715
Present value of obligation at the end of the year	44,97,513	50,07,168	3,09,80,621	3,13,79,956



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

iii. Reconciliation of fair value of plan assets	Gratuity	
	31.03.2020	31.03.2019
Fair value of plan assets at the beginning of the year	75,96,444	83,88,472
Return on plan assets	5,31,751	6,50,107
Actuarial gain/ (loss)	(22,331)	(28,420)
Contributions	-	-
Benefits paid	(5,94,692)	(14,13,715)
Assets distributed on settlement	-	-
Fair value of plan assets at the end of the year	75,11,172	75,96,444

iv. Description of Plan Assets	Gratuity	
	31.03.2020	31.03.2019
Insurer Managed Funds (LIC of India)	75,11,172	75,96,444

v. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Compensated Absences		Gratuity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Present value of obligation at the end of the year	44,97,513	50,07,168	3,09,80,621	3,13,79,956
Fair value of plan assets at the end of the year	-	-	75,11,172	75,96,444
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	44,97,513	50,07,168	2,34,69,449	2,37,83,512

vi) (Income)/ Expense recognized in the Profit and Loss Statement	Compensated Absences		Gratuity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Current Service Cost	13,28,491	16,62,531	49,94,681	49,29,762
Interest Cost	3,50,502	3,26,281	21,96,597	18,92,714
Actuarial (gain)/ loss recognized for the period	(21,88,648)	(11,91,716)	(69,73,590)	15,77,502
Expected return on plan assets	-	-	(5,31,751)	(6,50,107)
(Income)/ Expenses recognized in the Profit and Loss Statement	(5,09,655)	7,97,096	(3,14,063)	77,49,871

vii) History of defined benefit obligation, plan assets and experience adjustments over 5 years- Gratuity	Gratuity				
	2020	2019	2018	2017	2016
Present value of obligation at the year end	3,09,80,621	3,13,79,956	2,44,22,113	2,06,39,759	2,10,02,044
Fair value of plan assets at end of the year	75,11,172	75,96,444	83,88,472	82,36,807	83,83,291
Funded status- (deficit)/ surplus	(2,34,69,449)	(2,37,83,512)	(1,60,33,641)	(1,24,02,952)	(1,26,18,753)
Experience adjustments on plan liabilities	(67,39,078)	9,71,684	(10,88,739)	(2,61,370)	(43,42,194)
Experience adjustments on plan assets	(22,331)	(28,420)	(3,213)	27,955	23,941

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



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

32 Segment Reporting

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

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

Sales:

Geographic Segment	31.03.2020	31.03.2019
Outside India	63,38,33,295	57,20,34,950
In India	2,96,95,74,594	2,95,63,95,260
<b>Total</b>	<b>3,60,34,07,889</b>	<b>3,52,84,30,210</b>

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.

33 Related Party Disclosures

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

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

Ref	Description of relationship	Names of Related parties
[1.]	<i>Subsidiary Companies:</i>	Kaynes Embedded Systems Private Limited Kemsys Technologies Private Limited Kaynes Technology Europe GmbH Kaynes International Design & Manufacturing Private Limited
[2.]	<i>Entity Controlled by Directors:</i>	Kaynes Interconnection Systems India Private Limited
[3.]	<i>Entity where relative of Directors have substantial interest</i>	A ID Systems (India) Private Ltd
[4.]	<i>Key Management Personnel:</i>	
	Mr. Ramesh Kunhikannan	Managing Director
	Ms. Savitha Ramesh	Whole Time Director
	Mr. Jairam P Sampath	Whole Time Director
[5.]	<i>Relatives of KMP's:</i>	Ms. Premita Ramesh Mr. Govind Shasiprasad Menokee

[B.] Transactions with Related Parties

Transactions / Balances	Subsidiaries / Associates	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
<i>[i.] Loans and Advances given to:</i>				
Kaynes Embedded Systems Private Limited	87,000			
Kemsys Technologies - Private Limited	(1,07,41,940)	(-)	(-)	(-)





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

**[ii.] Loans and Advances repaid by:**

Kemsys Technologies Private Limited	(1,07,41,940)	(-)	(-)	(-)
Kaynes Embedded Systems Private Limited	(19,50,000)	(-)	(-)	(-)

**[iii.] Services Received from:**

Kemsys Technologies Private Limited	(12,813)	(-)	(-)	(-)
Kaynes Interconnection Systems India Private Limited	(-)	1,40,076 (32,384)	(-)	(-)

**[iv.] Commission paid:**

Kaynes Technology Europe GMBH	1,31,26,371 (1,33,83,740)	(-)	(-)	(-)
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**[v.] Received towards Marketing, Distribution, Administration, Management & Other Support Services**

Kaynes International Design & Manufacturing Private Limited	2,48,83,940 (-)	(-)	(-)	(-)
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**[vi.] Interest on loan advanced**

Kemsys Technologies Private Limited	31,36,978 (30,31,550)	(-)	(-)	(-)
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**[vii.] Purchases:**

**(a) Purchase of Material**

Kemsys Technologies Private Limited	21,67,370 (35,80,202)	(-)	(-)	(-)
Kaynes Interconnection Systems India Private Limited	(-)	1,02,07,157 (81,73,637)	(-)	(-)

**(b) Purchase of Property**

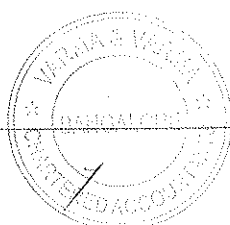
Savitha Ramesh			1,36,32,220 (-)	
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**[viii.] Sale of material:**

Kemsys Technologies Private Limited	69,41,148 (52,33,038)	(-)	(-)	(-)
Kaynes Interconnection Systems India Private Limited	(-)	41,38,383 (24,43,624)	(-)	(-)
Kaynes International Design & Manufacturing Private Limited	6,82,24,551 (-)	(-)	(-)	(-)

**[ix.] Remuneration and Commission:**

Mr. Ramesh Kunhikannan -Remuneration	(-)	(-)	68,16,000 (1,43,16,000)	(-)
Ms. Savitha Ramesh -Remuneration	(-)	(-)	68,16,000 (1,43,16,000)	(-)
Mr. Jairam P Sampath	(-)	(-)	48,00,000 (71,50,000)	(-)
Ms. Premita Ramesh	(-)	(-)	(-)	19,50,000 (24,00,000)
Mr. Govind Shasiprasad Menokey	(-)	(-)	(-)	30,00,000
	(-)	(-)	(-)	(-)



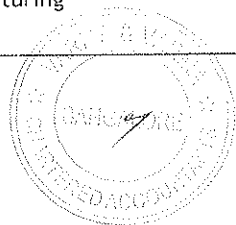
KAYNES TECHNOLOGY INDIA PRIVATE LIMITED  
 NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS

*[x.] Transaction in current account (net)*

Mr. Ramesh Kunhikannan	-	-	(33,66,611)	-
	(-)	(-)	(1,95,550)	(-)
Ms. Savitha Ramesh	-	-	(62,41,735)	-
	(-)	(-)	(3,40,257)	(-)

*[C.] Balances with Related Parties*

Transactions / Balances	Subsidiaries	Entities Controlled by Directors	Key Management Personnel	Relatives of KMP
<i>[i.] Loans and Advances</i>				
Kemsys Technologies Private Limited (Including Interest Receivable)	4,78,26,155 (4,50,02,875)	- (-)	- (-)	- (-)
Kaynes Embedded Systems Private Limited	37,91,722 (37,04,722)	- (-)	- (-)	- (-)
Kaynes Interconnection Systems India Private Limited	- (-)	1,64,25,765 (2,03,33,704)	- (-)	- (-)
Kaynes Technology Europe GMBH	65,91,600 (61,39,200)	- (-)	- (-)	- (-)
<i>[ii.] Loans and Advances Received</i>				
Kaynes International Design & Manufacturing Private Limited	98,75,658 (2,71,55,469)	- (-)	- (-)	- (-)
<i>[iii.] Investments:</i>				
Kaynes Technology Europe GMBH	92,41,162 (92,41,162)	- (-)	- (-)	- (-)
Kemsys Technologies Private Limited	50,00,000 (50,00,000)	- (-)	- (-)	- (-)
Kaynes Embedded Systems Private Limited	30,00,000 (30,00,000)	- (-)	- (-)	- (-)
Kaynes International Design & manufacturing Private Limited	14,99,900 (14,99,900)	- (-)	- (-)	- (-)
<i>[iv.] Payable</i>				
Kaynes Technology Europe GMBH	11,44,068 (11,97,916)	- (-)	- (-)	- (-)
Kaynes Interconnection Systems India Private Limited	- (-)	- (47,37,316)	- (-)	- (-)
<i>[v.] Sale of materials Receivable:</i>				
Kemsys Technologies Private Limited	1,42,84,230 (47,71,727)	- (-)	- (-)	- (-)
Kaynes International Design & manufacturing Private Limited	- (-)	- (-)	- (-)	- (-)



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

[vi.] Advance towards supply of material:

Kemsys Technologies Private Limited	97,39,628	-	-	-
	(-)	(-)	(-)	(-)

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

Mr. Ramesh Kannan (Dr. Balance)	-	-	1,06,86,482	-
	(-)	(-)	(1,42,48,642)	(-)
Ms. Savitha Ramesh (Dr. Balance)	-	-	1,25,41,917	-
	(-)	(-)	(1,67,22,556)	(-)
Mr. Jairam P Sampath (Dr. Balance)	-	-	561	-
	(-)	(-)	(5,71,474)	(-)

[viii.] Salaries payable

Mr. Ramesh Kunhikannan	-	-	6,50,800	-
	(-)	(-)	(3,17,800)	(-)
Ms. Savitha Ramesh	-	-	3,30,800	-
	(-)	(-)	(3,77,800)	(-)
Mr. Jairam P Sampath	(-)	(-)	3,36,800	(-)
	(-)	(-)	(99,800)	(-)
Ms. Premita Ramesh	-	-	-	80,800
	(-)	(-)	(-)	(1,54,800)
Mr. Govind Shasiprasad Menokee	-	-	-	2,41,800
	(-)	(-)	(-)	(-)

[ix.] Balance in current account:

Mr. Ramesh Kannan (Dr. Balance)	-	-	-	-
	(-)	(-)	(1,95,550)	(-)
Ms. Savitha Ramesh (Dr. Balance)	-	-	(24,01,353)	-
	(-)	(-)	(3,40,257)	(-)

[Note.]

1. Numbers in Parentheses represent previous year number.
2. Suspension of recovery of loan for one year is subject to approval of the Company in general meeting.

34 Operating Lease:

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

Particulars	31.03.2020	31.03.2019
Not later than one year	95,09,520	Nil
One to five years	95,09,520	Nil
<b>Total</b>	<b>1,90,19,040</b>	<b>Nil</b>

35

(a) Research & Development

The company has a full fledged Research and Development Division which is approved by Department of Science & Industrial Research (DSIR) of the Ministry of Science & Technology, Government of India. The details of Expenditure incurred, recoveries made and amounts transferred to Intangible assets ₹. 88,14,713/- and transferred to Intangible assets under development ₹. 3,58,55,303/- on completion of successful research are given in Note No 25 above. The company has also carried out separate Research & Development work for an ERP Software outside the approved Research & Development Division and a sum of ₹. 83,72,310/- incurred on is also included in intangible assets under development (Refer Note No: 11(iii))



(b) Global Innovation & Technology Alliance

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

The company's claim against this has been approved for ₹. 46,44,549/- including ₹. 3,99,840/- towards cost of an equipment was sanctioned before 31-03-2020 and a sum of ₹. 10,56,000/- was received and the balance was received after the year ended which is disclosed in Note 18. The amount received has been netted off against the cost of the asset and balance sum of ₹. 42,44,709/- has been disclosed as a recovery against R & D costs. The project is in progress and management is hopeful of completing the project fully and claiming the balance amount also in the next year.

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

36 Foreign exchange exposures not hedged by derivative instruments

Particulars	31.03.2020		31.03.2019	
	FC	Amount (₹)	FC	Amount (₹)
<b>Payables :</b>				
EURO	1,59,448	1,32,34,184	4,52,785	3,54,63,477
GBP	1,02,941	85,42,044	9,63,973	8,80,30,030
JPY	15,74,212	10,98,643	-	-
USD	49,90,798	37,43,09,850	73,77,073	51,35,91,841
<b>Receivables :</b>				
EURO	6,13,408	4,67,61,015	10,73,936	8,23,49,389
GBP	3,55,947	3,09,34,218	4,17,581	3,72,27,328
USD	14,65,904	10,11,15,189	13,90,474	9,52,05,783
<b>Loan and Advances :</b>				
EURO	4,84,992	4,02,54,336	1,00,000	76,74,000
GBP	90,598	75,17,822	-	-
JPY	1,29,11,617	90,11,018	-	-
USD	11,84,323	8,88,24,225	-	-

37 Earnings Per Share

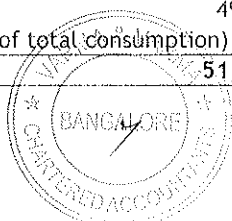
Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share"

Particulars	31.03.2020	31.03.2019
<b>Basic and Diluted:</b>		
Net Profit After Tax as per Profit and Loss Account (₹.) - (A)	11,34,46,964	9,25,18,675
Weighted Average Number of Shares outstanding for Basic & Diluted EPS (Nos.) - (B)	67,99,992	67,99,992
Basic earnings per share (₹.) (A) / (B)	16.68	13.61
Diluted earnings per share (₹.) (A) / (B)	16.68	13.61
Nominal value per share (₹.)	10.00	10.00

38 Production, stock and sales

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

Particulars	31.03.2020		31.03.2019	
	Quantity (No's)	Value	Quantity (No's)	Value
Integrated Circuits	1,84,05,503	69,00,76,730	1,71,89,484	62,15,26,354
Printed Circuit Boards	1,00,70,656	33,33,99,073	99,40,907	29,69,75,866
Other Components	49,10,59,740	1,53,38,67,159	51,99,06,235	1,46,92,65,316
(indi (individually less than 10% of total consumption))				
<b>Total</b>	<b>51,95,35,899</b>	<b>2,55,73,42,962</b>	<b>54,70,36,626</b>	<b>2,38,77,67,536</b>



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

Particulars	Value		Percentage (%)	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Imported	1,52,34,86,533	1,69,31,61,926	60%	66%
Indigenous	1,03,38,56,429	69,46,05,610	40%	34%
<b>Total</b>	<b>2,55,73,42,962</b>	<b>2,38,77,67,536</b>	<b>100%</b>	<b>100%</b>

[B.] Stock of finished goods

Particulars	Finished Goods	
	31.03.2020	31.03.2019
Manufactured goods	18,87,13,029	6,26,57,772
<b>Total</b>	<b>18,87,13,029</b>	<b>6,26,57,772</b>

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

39 CIF Value of Imports

Particulars	Value	
	31.03.2020	31.03.2019
Raw Materials	1,54,87,89,485	1,68,88,81,777
Components & Spare parts	46,91,156	51,38,858
Capital Goods	18,75,319	77,53,070

40 Earnings in Foreign Currency

Particulars	Value	
	31.03.2020	31.03.2019
Earnings in Foreign Currency - Export of goods (FOB)	63,38,33,295	57,20,34,950

41 Expenditure in Foreign Currency

Particulars	Value	
	31.03.2020	31.03.2019
Commission	1,31,26,371	1,33,83,740
Travel	3,03,431	25,43,121
Advertisement & Business Promotion	5,46,084	34,86,043
Legal & Professional charges	-	10,83,104

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

Consequent to the sudden lockdown imposed, the company was not able to despatch goods manufactured and kept ready and appropriated against confirmed orders to the extent of ₹. 1,18,49,304 /- although the same were invoiced and recognised as sales. These have been since and accepted by the customers.

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



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

The global spread of COVID-19 has led to an uncertain business environment including its ability to pursue recovery of its advances and using the accumulated stocks. The management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of various assets including investments (net of impairment loss) in subsidiaries and loans and advances given to subsidiaries and other parties after taking into account various internal and external information including for settlement of liabilities upto the date of approval of these financial statements and have concluded that they are fully recoverable based on the expected future performance of the Company and its subsidiaries on a net basis. The Company has also assessed various scenarios and assumptions and based on the current estimates, the management of the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, net of provisions made are fully recoverable and that no further provision is required.

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

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

43 Corporate Social Responsibility:

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

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

Particulars	Amount [₹.]	
	31.03.2020	31.03.2019
<i>Amount spent for eligible CSR projects :</i>		
Gross Amount required to be spent by the company during the year	30,39,202	27,11,002
Budget allocated by the Board during the year	30,44,894	30,00,000
Amount Spent during the year	31,05,898	29,77,495
Cumulative amount Unspent	-	-

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

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

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

As per our report of the even date attached

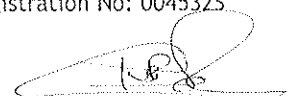
  
Ramesh Kunhikannan  
Managing Director  
[DIN: 02063167]

  
Jairam P Sampath  
Whole Time Director  
[DIN: 08064368]

For VARMA & VARMA  
Chartered Accountants  
Firm Registration No: 0045325

  
N Srividhya  
Company Secretary



  
Cherian K Baby  
Partner  
M. No.016043

Place: Mysore  
Date: 17/12/2020

Place: Mysore  
Date: 17/12/2020

Place: Bangalore  
Date: 17/12/2020