K. P. RAO & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To The Members of Kaynes Technology India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Kaynes Technology India Limited** which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Standalone State of Affairs of the Company as at March 31, 2023, and its profit and the total comprehensive income, the cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

Revenue Recognition:

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

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

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

Auditor's Response:

Audit procedures performed to address the key audit matter:

Our audit procedures included, among others, inquiries with management regarding significant new contracts and relevant changes in existing contracts.

The procedures also included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition.

On a sample basis, we reconciled revenue to the supporting documentation, such as sales orders, invoices and other relevant documents.

A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the

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proper accounting period by comparing revenues close to the balance sheet date with the respective contractual terms.

Our procedures also involved testing the performance obligations in the contract and the variable consideration, if any. We also test-checked instances for transfer of control to the customer with the necessary documentation.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, of the Division in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are 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 Division 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 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

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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 judgement and maintain professional scepticism 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Division has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is 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 Division to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in

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Equity and the Standalone 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 Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in ***"Annexure B".***

g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details.

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 does not have any pending litigations which would impact its financial position in its Ind AS financial statements. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

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a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries")
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material mis-statement.

iv. The company has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 23029340BGWHWO1219

Place: *Mysuru*
Date: May 16, 2023

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

i.

a.

A. The company has maintained showing proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

B. the company has maintained proper records showing full particulars of intangible assets;

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, PPE has been physically verified by the management during the year. And no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except below mentioned for which title deeds are not in the name of the Company

Description	Gross Carrying Value	Held in name of	Whether promoter/director or their relative or employee	Period held	Reason for not being in name of company
Land	1.183 million	P K Bansal	No	April 12, 2012	To be registered

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or Intangible Assets during the year.

e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any

K. P. RAO & CO. * BENGALURU FRN:003135S * CHARTERED ACCOUNTANTS benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

The Company has provided guarantee and has granted advances in the nature of loans, to companies during the year as stated in sub-clause (a) below.

a. A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted advance/ guarantee to its subsidiaries

Particulars	Amount (In Millions)	Secured/ Unsecured	Nature
Kemsys Technology Private Limited	180.96	Unsecured	Advance
Kaynes International Design & Manufacturing Private Limited	84.00	Unsecured	Guarantee

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B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to a party other than subsidiaries.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest is regular.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

Except loan given to subsidiary: -

Particulars	Amount (In Millions)
Kemsys Technology Private Limited	177.23

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

Except loan given to subsidiary: -

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Particulars	Amount (In Millions)
Kemsys Technology Private Limited	180.96

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same

vii.

a. The company has been regular in depositing undisputed statutory dues including Income Tax, Cess and other statutory dues with the appropriate authorities during the year.

b. According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

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Nature of the statute	Nature of the Dues	Amount (In Millions)	Period	Forum where dispute is pending
The Income tax Act 1961	Income-tax	6.05	AY 2017-18	Commissioner of Income Tax (Appeals)
The Income tax Act 1961	Income-tax	3.32	AY 2018-19	Commissioner of Income Tax [Appeals]
The Income tax Act 1961	TDS	62.69	Various Years	Commissioner of Income Tax (TDS)
Central Sales Tax Act,1956	Non submission of books for assessment	0.48	2013-14, 2014-15, 2015-16, 2016-17	Joint Commissioner
Central Sales Tax Act,1956	Order passed for non-submission of CST Forms	18.59	2013-14, 2014-15, 2015-16, 2016-17	Joint Commissioner
Central Sales Tax Act, 1956	CST Form	3.98	2016-17	Deputy Commissioner (DCCT-2) Audit
PF Act, 1952	Order passed under section 148 &7Q	70.40	2014-18, 2016-17	PF Tribunal
The Central Excise Act- 1974	Interest & Penalty	28.30	2014-15, 2015-16	CESTAT

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year

viii.

a. According to the information and explanations given to us and on the basis of

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our examination of the records of the Company, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared willful defaulter by any bank or financial institution or other lender.

c. According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. According to the information and explanations given to us and procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanations given to us and procedures performed by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x.

a. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer/ further public offer (including debt instruments) for the purposes for which they were raised

b. The Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partially or optionally convertible) during the year under review and hence, reporting requirements under clause 3(x) (b) is not applicable.

xi.

a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the

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principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. As represented to us by the Management, there are no whistle-blower complaints received by the company during the year.

xii. According to the information and explanations given to us, the company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv.

a. The company has an internal audit system commensurate with the size and nature of its business.
b. We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi.

a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
b. The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

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The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Para 3(xvi)(c) are not applicable.

c. As per the information and explanations given to us, there are no Core Investment Companies as part of the Group. Accordingly, the provisions of Para 3(xvi)(d) are not applicable.

xvii. The company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, the Company has transferred the amount to be spent on CSR to a specific bank account.

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for **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 23029340BGWHWO1219

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Place: *Mysuru*
Date: May 16, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of the Company as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be completely and appropriately documented. In critical areas such as revenue recognition, the Company has to ensure that the internal control procedure has a process of reconciling the revenue data (both qualitative and quantitative) with other regulatory records such as direct and indirect taxes.

Management's and Board of Directors' Responsibility for Internal Financial Controls

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

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Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

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accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 23029340BGWHWO1219

Place: *Mysuru*
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Standalone Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	832.18	634.98
Capital work-in-progress	3(b)	112.62	44.20
Intangible assets	3(c)	207.12	270.82
Intangible under development	3(d)	143.27	-
Rights-of-Use Assets	3(e)	154.41	163.07
Financial assets			
i)Investments	4	40.14	27.86
ii)Loans and deposits	5(a)	67.21	33.28
iii)Other financial assets	5(b)	131.73	35.28
Other non-current assets	6	84.60	65.79
Total Non-Current Assets (A)		1,773.28	1,275.28
CURRENT ASSETS			
Inventories	7	4,016.33	2,165.41
Financial asset			
i)Trade receivables	8(a)	2,202.58	1,888.99
ii)Cash and cash equivalents	8(b)	231.84	55.07
iii)Bank balances other than cash and cash equivalents	8(c)	4,559.13	141.87
iv)Loans and deposits	8(d)	214.96	172.67
v)Other financial assets	8(e)	110.42	24.46
Current tax assets (net)	9	33.53	-
Other current assets	10	858.05	368.74
Total Current Assets (B)		12,226.84	4,817.21
TOTAL ASSETS (A + B)		14,000.12	6,092.49
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	11(A)	581.42	461.58
Instruments entirely equity in nature	11(B)	-	3.79
Other Equity	12	9,002.44	1,562.48
Total Equity (A)		9,583.86	2,027.85
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	13	155.48	258.05
- Lease liabilities	32	139.80	149.49
Deferred Tax Liabilities (Net)	14	76.82	80.70
Long Term Provisions	15	47.83	46.65
Total Non-current Liabilities (B)		419.93	534.89

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Standalone Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	16(a)	1,121.83	1,393.97
- Trade payables	16(b)		
- Total outstanding dues of micro enterprises and small enterprises		202.28	45.31
- Total outstanding dues to other than micro enterprises and small enterprises		1,951.42	1,510.80
- Other financial liabilities	16(c)	110.25	102.52
- Lease liabilities	32	33.86	27.86
Current tax liabilities (net)	17	-	132.67
Other current liabilities	18	566.43	307.93
Short-term provisions	19	10.26	8.69
Total Current Liabilities (C)		3,996.33	3,529.75
Total Liabilities (B+C)		4,416.26	4,064.64
TOTAL EQUITY AND LIABILITIES (A+B+C)		14,000.12	6,092.49

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Standalone Statement of Profit and Loss
(All amounts are in INR Millions, except per equity share data)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	20	10,865.57	6,713.93
Other Income	21	116.98	47.61
Total Income (A)		10,982.55	6,761.54
Expenses			
Cost of materials consumed	22	8,272.07	4,730.70
Changes in inventories of Finished goods and work in progress	23	(671.47)	(37.50)
Employee Benefit Expenses	24	700.05	560.92
Finance Cost	25	343.83	250.43
Depreciation and amortization expense	26	176.74	123.61
Other Expenses	27	916.16	557.76
Total Expenses (B)		9,737.38	6,185.92
Profit / (Loss) before tax (A-B)=C		1,245.17	575.62
Tax Expenses			
Income taxes - Current tax		283.40	144.74
- Earlier year tax adjustments		18.71	-
Deferred tax Charge/ (Credit)		(4.55)	21.03
Total tax expense (D)		297.56	165.77
Profit / (Loss) for the year (C - D)=E		947.61	409.85
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		2.78	(2.16)
Income tax effect		(0.70)	0.54
Total other comprehensive income for the year, net of tax (F)		2.08	(1.62)
Total comprehensive income for the year, net of tax (E+F)		949.69	408.23
Earnings per share (nominal value of Rs. 10 each)			
Basic	31	19.79	9.84
Diluted	31	19.55	8.85
Significant accounting policies and notes to financial statement	1 to 2		

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
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Chief Executive Officer

Ramachandian Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Standalone Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars		As at March 31, 2023	As at March 31, 2022
A. Cash Flow from Operating Activities			
Net profit before extraordinary items and tax		1,245.17	575.62
Adjustments for :			
Depreciation and Amortisation Expense		135.42	93.04
Provision for doubtful debts		14.99	8.95
Fair valuation impact of Security deposit		(1.31)	(1.53)
Gain On Fair Valuation of Mutual Funds		0.34	(0.21)
Unrealised foreign exchange gain (net)		-	(0.73)
Interest expense		343.83	250.43
Interest income		(96.98)	(18.43)
Operating profit before working capital changes, extraordinary		**1,641.46**	**907.14**
Adjustments for:			
(Increase)/ decrease in Inventories		(1,850.92)	(640.20)
(Increase)/Decrease in Trade receivables		(313.59)	(673.53)
(Increase)/Decrease in Loans and Advances and other assets		(394.42)	(390.90)
Increase/(Decrease) in Trade payable and other liabilities		860.13	953.69
Increase/(Decrease) in Provisions		2.75	18.43
Cash Generated (used in) / From Operations		**(54.59)**	**174.63**
Income tax Received / (Paid)		(468.27)	(27.37)
Net Cash from Operating Activities	**(A)**	**(522.86)**	**147.26**
B. Cash Flow from Investing Activities			
Purchase of fixed assets		(471.95)	(362.63)
Interest Received		96.98	18.43
Proceeds from sale of investments / fixed deposits matured		(4,429.64)	(27.63)
Net Cash used in Investing activities	**(B)**	**(4,804.61)**	**(371.83)**
C. Cash Flow from Financing Activities			
Proceeds from issue of Share Capital :			
- Equity		113.68	-
- Preference		(3.79)	3.79
Securities Preminm received :			
- Equity		6,486.35	0.01
- Preference		(2.39)	223.70
Share issue expenses		(371.07)	-
Repayment of long term borrowings		(102.57)	90.36
Proceeds from short term borrowings		(272.14)	191.46
Interest expense		(343.83)	(250.43)
Net Cash from/(used) in Financing Activities	**(C)**	**5,504.24**	**258.89**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**176.77**	**34.32**
Cash and cash equivalents as on April 01		55.07	20.75
Cash and cash equivalents as on March 31		**231.84**	**55.07**

K.P. RAO & CO.
BANGALORE
FRN: 003135S
CHARTERED ACCOUNTANTS

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Standalone Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents		
Balance with scheduled banks on:		
- on Current Account	231.75	54.37
- on deposit accounts	-	-
Cash on Card		
Cash on Hand	0.09	0.70
	231.84	55.07

Notes

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

Significant accounting policies and notes to financial statement **1 to 2**

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

BANGALORE FRN: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Standalone Statement of changes in equity
(All amounts are in INR Millions, except per equity share data)

A. **Equity Share Capital**

Particulars	No. of Shares	Amount
As at April 1, 2021	68,00,002	68.00
Change during the year	3,93,58,004	393.58
As at March 31, 2022	4,61,58,006	461.58
Change during the year	1,19,84,490	119.84
As at March 31, 2023	5,81,42,496	581.42

B. **Instruments Entirely of Equity Nature**

Particulars	CCPS Series A		CCPS Series B		CCPS Series C	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at April 1, 2021	10,79,990	10.80	-	-	-	-
Change during the year	(10,79,990)	(10.80)	3,33,323	3.33	45,823	0.46
As at March 31, 2022	-	-	3,33,323	3.33	45,823	0.46
Change during the year	-	-	(3,33,323)	(3.33)	(45,823)	(0.46)
As at March 31, 2023	-	-	-	-	-	-

C. **Other Equity**

For the year ended March 31, 2023

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at April 01, 2022	107.64	124.69	1,324.74	5.31	-	-	0.10	1,562.48
Profit for the period	-	-	949.69	-	-	-	-	949.69
On issue of Equity shares	6,486.35	-	-	-	-	-	-	6,486.35
On conversion of Preference shares into equity	(2.39)	-	-	-	-	-	-	(2.39)
Utilized towards redemption of debentures	-	-	-	(5.31)	-	-	-	(5.31)
Transfer from Debenture redemption reserve	-	5.31	-	-	-	-	-	5.31
Share based payment expenses	-	-	-	-	6.31	-	-	6.31
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	(2.08)	-	-	-	2.08	-
As at March 31, 2023	6,591.60	130.00	2,272.35	-	6.31	-	2.18	9,002.44

For the year ended March 31, 2022

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at April 01, 2021	266.71	110.88	915.77	19.12	-	-	1.72	1,314.20
Profit for the period	-	-	408.23	-	-	-	-	408.23
On issue of New Preference shares	223.70	-	-	-	-	-	-	223.70
On issue of Equity shares	0.01	-	-	-	-	-	-	0.01
On issue of Bonus shares	(385.90)	-	-	-	-	-	-	(385.90)
On conversion of Preference shares into equity	3.12	-	-	-	-	-	-	3.12
Utilized towards redemption of debentures	-	-	-	(13.81)	-	-	-	(13.81)
Transfer from Debenture redemption reserve	-	13.81	-	-	-	-	-	13.81
Other Ind AS adjustments	-	-	0.10	-	-	-	-	0.10
Fair value adjustments of investments	-	-	(0.98)	-	-	-	-	(0.98)
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	1.62	-	-	-	(1.62)	-
As at March 31, 2022	107.64	124.69	1,324.74	5.31	-	-	0.10	1,562.48

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number 003135S

K.P. RAO & CO.
BANGALORE
FRN: 003135S
CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

1 General Information

Kaynes Technology India Limited (Formerly known as 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 primarily engaged in Design and Manufacturing of advanced electronic modules and solutions catering to a wide range of industries.

The company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 24, 2022 and consequently the name of the Company has changed to "Kaynes Technology India Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on March 31, 2022.

2 Basis of preparation

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

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

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

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

2.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).;
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2.3 Use of estimates and judgements

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

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

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

Note 34 – measurement of defined benefit obligations: key actuarial assumptions;
Notes 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
Note 38 – impairment of financial assets;

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

2.4 Revenue recognition

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

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

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

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

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

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

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (2.8) Financial instruments below.

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

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

The company presents revenues net off indirect taxes in the statement of profit and loss.

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

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

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

Government Grant:
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.6 Employee Benefits

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

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

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

d) Leave Encashment

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

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

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

e) Employees' Stock Option Plans (ESOP)
The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

f) Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

2.7 Borrowing cost

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

Financial instruments

2.8 Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:
Amortised cost;
Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
Fair Value through Profit or Loss (FVTPL)

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

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

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

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

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

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

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

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

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2.9 Derecognition

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

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

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

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

2.10 Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:
(i) Financial assets measured at amortised cost;
(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:
The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

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

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

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

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

2.11 Financial liabilities:

Initial recognition and measurement

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

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Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss.

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

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

2.12 Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

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

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

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

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.
The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

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

2.14 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining useful life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

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

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

2.15 Impairment of tangible and intangible assets

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

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2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.17 Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

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

2.18 Leases

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

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

As lessee

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.11) Impairment of non-financial assets.

ii) Lease liabilities

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

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

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2.19 Cash and cash equivalents

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

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

2.20 Taxes on Income

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted to recognize tax expense at the new income tax rate as applicable to the Company.

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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2.21 Foreign currencies

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

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

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

2.22 Provisions

General

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

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

2.23 Contingent liabilities and contingent assets:

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

Contingent Asset

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

2.24 Earnings per share (EPS)

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

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

2.25 Segment Reporting

The Company operates predominantly in one business segment of Electronics Manufacturing Services and accordingly primary reporting disclosures for business segment, is uot applicable.

2.26 Cash flow statement

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

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2.27 Events after reporting date

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

2.28 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Since the effective date for adoption of the above amendments is annual periods beginning on or after April 01, 2023, there is no impact on the financial statements for the year ended March 31, 2023.

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3 **Property, plant and equipment**

		Particulars	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	Total
			Tangible Assets										
Gross Block		As at April 01, 2021	24.87	170.63	580.76	43.32	14.89	18.58	24.12	62.99	10.73	14.61	965.50
	2021-22	Additions during the year	7.60	0.75	102.64	8.25	0.94	2.65	4.59	4.10	1.62	-	133.14
		Deletions during the year	-	-	-	-	-	-	-	(1.22)	-	-	(1.22)
		As at March 31, 2022	32.47	171.38	683.40	51.57	15.83	21.23	28.71	65.87	12.35	14.61	1,097.42
	2022-23	Additions during the year	-	-	246.32	4.27	1.78	0.80	7.04	15.04	1.27	-	276.52
		Deletions during the year	(7.60)	-	-	-	-	-	-	-	-	-	(7.60)
		As at March 31, 2023	24.87	171.38	929.72	55.84	17.61	22.03	35.75	80.91	13.62	14.61	1,366.34

		Particulars	Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	Total
			Tangible Assets										
Accumulated Depreciation		As at April 01, 2021	-	19.93	253.93	26.11	12.23	11.82	23.06	32.93	8.36	11.24	399.61
	2021-22	Charge for the year	-	5.79	40.17	3.47	0.94	1.16	2.27	6.43	0.96	2.14	63.33
		Deletions during the year	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)
		As at March 31, 2022	-	25.72	294.10	29.58	13.17	12.98	25.33	38.86	9.32	13.38	462.44
	2022-23	Charge for the year	-	5.76	47.86	3.67	1.02	1.29	3.15	6.74	1.14	1.09	71.72
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2023	-	31.48	341.96	33.25	14.19	14.27	28.48	45.60	10.46	14.47	534.16
Net Block		Net Block											
		As at March 31, 2023	24.87	139.90	587.76	22.59	3.42	7.76	7.27	35.31	3.16	0.14	832.18
		As at March 31, 2022	32.47	145.66	389.30	21.99	2.66	8.25	3.38	27.01	3.03	1.23	634.98

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3(a) Capitalised Expenditure
Borrowing cost:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance brought down	0.44	1.38
Interest expenses	7.30	6.26
Sub-Total	**7.74**	**7.64**
Less: Allocated to property,	-	(7.20)
Balance carried over (included in capital work in progress)	**7.74**	**0.44**

3(b) Capital Work in Progress

Particulars	Tangible Assets under Construction or	Total
As at April 01, 2021	10.06	10.06
Additions/Adjustment	33.70	33.70
Capitalization of Interest	0.44	0.44
As at March 31, 2022	44.20	44.20
Additions/Adjustment	64.32	64.32
Capitalization of Interest	4.10	4.10
As at March 31, 2023	112.62	112.62

Capital work in progress ageing schedule
As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	68.42	44.20			112.62
Project temporarily suspend	-	-	-	-	-
Total	**68.42**	**44.20**	-	-	**112.62**

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	34.14	10.06	-	-	44.20
Project temporarily suspend	-	-	-	-	-
Total	**34.14**	**10.06**	-	-	**44.20**

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3(c) Intangible Assets

		Particulars	Intangible Assets		Total
			Software	Technical know-how	
Gross Block		As at April 01, 2021	16.80	119.33	136.13
	2021-22	Additions during the year	19.87	177.98	197.85
		Deletions during the year	-	-	-
		As at March 31, 2022	36.67	297.31	333.98
	2022-23	Additions during the year	-	-	-
		Deletions during the year	-	-	-
		As at March 31, 2023	36.67	297.31	333.98

		Particulars	Intangible Assets		Total
			Software	Technical know-how	
Accumulated Depreciation		As at April 01, 2021	12.93	20.52	33.45
	2021-22	Charge for the year	2.11	27.60	29.71
		Deletions during the year	-	-	-
		As at March 31, 2022	15.04	48.12	63.16
	2022-23	Charge for the year	5.89	57.81	63.70
		Deletions during the year	-	-	-
		As at March 31, 2023	20.93	105.93	126.86
Net Block					
		As at March 31, 2023	15.74	191.38	207.12
		As at March 31, 2022	21.63	249.19	270.82

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3(d) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at April 01, 2021	15.70	71.88	87.58
Additions/Adjustment	4.17	100.28	104.45
Capitalization of Interest	-	5.82	5.82
Capitalized in 2021-22	(19.87)	(177.98)	(197.85)
As at March 31, 2022	-	-	-
Additions/Adjustment	-	140.07	140.07
Capitalization of Interest	-	3.20	3.20
Capitalized in 2022-23	-	-	-
As at March 31, 2023	-	**143.27**	**143.27**

Intangible Assets under Development Ageing Schedule
As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	143.27	-	-	-	143.27
Project temporarily suspend	-	-	-	-	-
Total	**143.27**	-	-	-	**143.27**

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-
Project temporarily suspend	-	-	-	-	-
Total	-	-	-	-	-

* No projects are temporarily suspended as at March 31,2023 and March 31,2022.

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Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company** **also indicate if in dispute
PPE	Land	1.183	P.K. Bansal	NA	April 12, 2012	To be registered

3(e) Right of Use Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	163.07	77.27
Additions during the year	29.11	116.91
Deletions/ adjustments during the y	3.55	(0.54)
Depreciation during the year	(41.32)	(30.57)
Closing Balance	**154.41**	163.07

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NON-CURRENT ASSETS	As at March 31, 2023	As at March 31, 2022
FINANCIAL ASSET		
4 Non-Current Financial Assets - Investments		
Unquoted		
Investments - Non-Trade		
Investments in Equity instruments	29.28	26.57
Investments in Others	10.86	1.29
Total	40.14	27.86
4.1 Detail of Non-Current Investments		
(i) Financial assets measured at amortised cost		
Investment in equity instruments - Equity Shares		
(a) Subsidiary Company		
Kaynes Embedded Systems Private Limited	3.00	3.00
Less: Provision for diminution in value	(3.00)	(3.00)
	-	-
Kemsys Technologies Private Limited	5.00	5.00
Kaynes Technology Europe Gmbh	9.24	9.24
Kaynes International Design & Manufacturing Private Limited	1.50	1.50
Kaynes Electronics Manufacturing Private Limited	0.10	-
(b) Other than Subsidiary Company		
Winfoware Technologies Limited	10.80	10.80
Mysore ESDM Cluster	2.64	0.03
(ii)Financial assets measured at FVTPL		
Investments in Mutual Funds (Quoted)	**10.86**	**1.29**
	40.14	27.86
4.2 Additional disclosure		
Aggregate carrying value of unquoted investments	29.28	26.57
Aggregate amount of Cost of quoted investments	10.63	0.73

Investments in equity instruments - Subsidiary Company

(a) Investment in Kaynes Embedded System Private Limited, 30,000 equity shares of Rs. 100 each (2022: 30,000 equity shares) of Rs. 100/- each, constitutes 60% (2022: 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 (2022: 50,00,000) of face value of Re. 1/- each purchased at par, constitutes 100% (2022: 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) Rs.92,41,162/- (2022: Rs. 92,41,162/-), constitutes 60% (2022: 60%) of capital of that company.

(d) Investment in Kaynes International Design & manufacturing Private Limited 1,49,990 (2022: 1,49,990) equity shares Rs.14,99,900/-, constitutes 95.21% (2022: 95.21%) of capital of that company.

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (2022: 14,87,120) equity shares) face value of Rs.5/- each purchased at a premium, constitutes 18.98% of the capital of that company.

b) Investment in Mysore ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of Rs. 10/- each constitutes 0.18% (2022: 0.18%) of the capital of that company.

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Investments in Mutual Funds

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Total NAV	Units	Total NAV
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.36	2,273.13	0.36
Canara Robeco Emerging Equities - Regular Growth Fund	315.66	0.05	315.66	0.05
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	976.67	0.24	976.67	0.24
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	135.30	0.03	135.30	0.03
Canara Robeco Infrastructure - Regular Growth Fund	1,711.00	0.14	1,711.00	0.13
Canara Robeco Blue Chip Equity Fund	6,474.13	0.26	6,474.13	0.27
Canara Robeco Large Capital Fund - Regular Growth Fund	1,320.41	0.05	1,320.41	0.05
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.07	1,083.76	0.07
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.09	404.53	0.09
Canara Robeco Mid Cap Fund - Regular Growth(MDGP)	9,99,950.00	9.57	-	-
		10.86		1.29

5 FINANCIAL ASSET
NON-CURRENT

	As at March 31, 2023	As at March 31, 2022
5(a) Loans and deposits, carried at amortized cost		
Unsecured considered good (Unless Otherwise stated)		
Rental Deposits	22.30	20.46
Utility Deposits	4.37	3.57
EMD Deposits	10.54	9.25
NSE Deposits	30.00	-
	67.21	33.28
5(b) Other non current financial assets (At Amortised Cost)		
Unsecured considered good (Unless Otherwise stated)		
Advances recoverable in cash, kind or to value to be received	32.03	35.28
Loans to related party	99.70	-
	131.73	35.28

6 OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital Advances	79.41	58.24
Prepaid Rent	5.19	7.55
	84.60	65.79

CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
7 Inventories (at cost or net realisable value whichever is lower)*		
Raw materials	2,742.94	1,683.75
Work-in-progress	838.26	140.52
Finished Goods	210.00	236.27
Goods-in-transit	157.07	43.42
Consumables, stores and spares	68.06	61.45
	4,016.33	2,165.41

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8 Current Financial Assets

8(a) Trade receivables

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good	2,202.58	1,888.99
Unsecured, Considered Doubtful	40.73	25.74
Less - expected credit loss allowance	(40.73)	(25.74)
	2,202.58	1,888.99

Movement in the expected credit loss allowance of trade receivables are as follows:		
Balance at the Beginning of the year	25.74	16.79
Add: Provided during the year	14.99	8.95
Balance at the end of the year	40.73	25.74

(i)Trade Receivables Ageing Schedule:

Undisputed Trade receivables - considered good	As at March 31, 2023	As at March 31, 2022
Less than 6 months	1,589.66	1,659.49
6 months - 1 year	241.43	121.62
1 -2 years	273.59	27.65
2 -3 years	22.73	16.99
More than 3 years	75.17	63.24
Total	2,202.58	1,888.99

Note:

a. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.

b.The trade receivables of the company has been pledged with banks for availing working capital and other facilities.

c. No trade receivables are disputed as at March 31,2023 and March 31, 2022.

8(b) Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balance with banks		
- In Current accounts	231.75	54.37
- In EEFC accounts	-	-
Cash on hand	0.09	0.70
	231.84	55.07

8(c) Other Bank Balances

Debit Balance in Cash Credit	-	0.01
Deposits with original maturity for less than 12 months	4,518.29	89.93
Margin Money and Other Deposits *	40.84	51.93
	4,559.13	141.87

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

8(d) Loans and deposits, carried at amortized cost

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good(Unless otherwise stated)		
Loans to related party	180.96	155.76
Loans to employees	34.00	16.91
Total	214.96	172.67

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8(e) Other current financial assets (At Amortised Cost)

	As at March 31, 2023	As at March 31, 2022
Interest accrued	109.97	24.01
Insurance claim receivable	0.45	0.45
	110.42	24.46

9 INCOME TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income tax	300.00	-
Less: Provision for income taxes	(266.47)	
	33.53	-

10 OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances for supply of goods	302.58	293.13
Prepaid Expenses	449.40	35.22
Balance with government authorities	106.07	40.39
	858.05	368.74

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11 Share Capital

11(A) Equity Share Capital

i)Authorised

Particulars	Equity Share Capital No of Shares	Equity Share Capital Amount
Balauce as at April 01, 2021	80,00,000	80.00
Increase during the year	5,50,00,000	550.00
Balance as at March 31, 2022	6,30,00,000	630.00
Increase during the year	70,00,000	70.00
Balance as at March 31, 2023	7,00,00,000	700.00

Pursuant to a resolution of Board of Directors dated April 08, 2022 and the shareholders meeting dated April 08, 2022, the Authorized Share Capital of the Company has been increased from Rs. 630 millions consisting of 6,30,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 700 millions consisting of 7,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital No of Shares	Equity Share Capital Amount
Balauce as at April 01, 2021	68,00,002	68.00
Add: Shares issued during the year	20	-
Add: Conversion of Preference shares into equity	7,67,866	7.68
Add: Bonus shares issued during the year	3,85,90,118	385.90
Balance as at March 31, 2022	4,61,58,006	461.58
Add: Shares issued during the year	1,13,67,720	113.68
Add: Conversion of Preference shares into equity	6,16,770	6.17
Balance as at March 31, 2023	5,81,42,496	581.42

iii) Terms/rights attached to equity shares

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

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	As at March 31, 2023	As at March 31, 2022
Mr. Ramesh Kunhikannan	3,69,43,633	4,07,80,042
% of Share holding	63.54%	88.35%
Ms. Freny Firoz Irani	17,98,924	49,67,369
% of Share holding	3.09%	10.76%

Note: For the period of five years immediately preceding March 31,2023

(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 Rs. 10/- each	No. of shares	Amount (Rs.)
(c) Financial Year Ended March 31, 2023		
i) The company has issued 14,39,237 and 8,99,523 fully paid up equity shares of Rs.10 each during the financial year by way of Pre-IPO placement on approval accorded by the EGM held on October 10, 2022 and October 14, 2023 respectively.	23,38,760	2,33,87,600
ii) The company has issued 90,28,960 fully paid up equity shares of Rs.10 each during the financial year through Initial Public Offer (IPO) on approval accorded by the EGM held on April 01, 2022.	90,28,960	9,02,89,600

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iii) The company has issued 6,16,770 fully paid up equity shares of Rs.10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on October 22, 2022.	6,16,770	61,67,700
(d) Financial Year Ended March 31, 2022		
i) The company has issued 3,84,65,005 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on February 25, 2022. 5 five shares of Rs. 10 each were allotted for every one equity shares held in the company.	3,84,65,005	38,46,50,050
ii) The company has issued 55,605 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on December 24, 2021. 11,121 Bonus shares of Rs. 10 each were allotted for every 95,998 Compulsory convertible preference shares held in the company.	55,605	5,56,050
iii) The company has issued 69,508 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on December 24, 2021. 17,377 Bonus shares of Rs.10 each was allotted for every 150,000 Compulsory convertible preference shares held in the company.	69,508	6,95,080

(d) No shares were bonght back in any of the years.

(e) No calls are unpaid by any director or officer of the company during the year.

v) Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022
Mr. Ramesh Kunhikannan		
- No. of Shares held	3,69,43,633	4,07,80,042
- Percentage of holding	63.54%	88.35%
- Changes during the year	(24.81%)	(11.60%)
Mrs. Savitha Ramesh		
- No. of Shares held	19,800	19,800
- Percentage of holding	0.03%	0.04%
- Changes during the year	(0.01%)	(0.01%)
RK Family Trust (Ramesh Kunhikannan)		
- No. of Shares held	100	-
- Percentage of holding	0.00%	-
- Changes dnring the year	0.00%	-

11(B) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital

i)Authorised

Particulars	No of Shares	Amount
Balance as at April 01, 2021	20,00,000	20.00
Increase during the year	-	-
Balance as at March 31, 2022	20,00,000	20.00
Increase during the year	-	-
Balance as at March 31, 2023	20,00,000	20.00

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Pursuant to a resolution of the Board of Directors dated June 05, 2020 and the shareholders meeting dated June 05, 2020, the Authorized Share Capital of the Company has been reclassified to Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) and a resolution of Board of Directors dated October 11, 2020 and the shareholders meeting dated October 11, 2020, the Authorized Share Capital of the Company has been increased from Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs.20 millions consisting of 20,00,000 Preference Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
As at April 01, 2021	10,79,990	10.80
Add: Shares issued during the year	3,79,146	3.79
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(10,79,990)	(10.80)
As at March 31, 2022	3,79,146	3.79
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(3,79,146)	(3.79)
Balauce as at March 31, 2023	-	-

iii) Terms/rights attached to Preference shares:
The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

iv) Shareholders holding more than 5 percent of Preference Shares

Name of Share holder	As at March 31, 2023	As at March 31, 2022
Mrs. Freny Firoze Irani		
- No. of shares held	-	2,50,000
- % of share holding	-	65.94%
Mr. Ganesh Cherapuram Balasubramanian		
- No. of shares held	-	83,323
- % of share holding	-	21.98%
Mr. Bharadwaj Turlapati		
- No. of shares held	-	45,823
- % of share holding	-	12.08%

Note: For the period of five years immediately preceding March 31,2023

During the financial year ended March 31, 2023;
The company has issued 6,16,770 fully paid up equity shares of Rs.10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on October 22, 2022.

During the financial year ended March 31, 2022, the Company has issued;
(a) 83,323 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Resident Indian Mr. Ganesh Cherapuram Balasubramanian which carries cnmulative dividend of 0.01% per annum on October 22, 2021.
(b) 2,50,000 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on November 01, 2021.
(iii) 45,823 0.01% Compulsorily Convertible Cumnlative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Resident Indian Mr. Bharadwaj Turlapati which carries cumulative dividend of 0.01% per annum on December 25, 2021.

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Note on CCPS Conversion
Conversion Option as at March 31, 2022:
CCPS series C shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;
b.Expiry of 120 months from the Execution Date ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the holder of the CCPS series C Investor

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Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:L29128KA2008PLC045825
Notes to the Standalone Financial Statements
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12 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
Securities premium (refer note i)	6,591.60	107.64
General Reserve (refer note ii)	130.00	124.69
Surplus in the profit and loss statement (refer note iii)	2,272.35	1,324.74
Debenture redemption reserve (refer note iv)	-	5.31
Employee stock options outstanding account (ESOP Reserve) (refer note vi)	6.31	
Other Comprehensive income (refer note v)	2.18	0.10
	9,002.44	1,562.48

i) Securities Premium

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	107.64	266.71
Changes during the year	6,483.96	(159.07)
As at end of the year	6,591.60	107.64

ii) General Reserve

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	124.69	110.88
Add: Transfer from Debenture redemption reserve	5.31	13.81
As at end of the year	130.00	124.69

iii) Surplus in the profit and loss statement

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	1,324.74	915.77
Add: Profit for the year	949.69	408.23
Less: Other Comprehensive Loss	(2.08)	1.62
Less Effect of adoption of Ind AS 116 Leases	-	0.10
Fair Value adjustment of Investment	-	(0.98)
As at end of the year	2,272.35	1,324.74

iv) Debenture Redemption Reserve

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	5.31	19.12
Less : Transferred to General Reserve on utilisation for redemption of debentures	(5.31)	(13.81)
As at end of the year	-	5.31

v) Remeasurement of defined benefit obligations

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	0.10	1.72
Add: Changes during the year	2.08	(1.62)
As at end of the year	2.18	0.10

vi) Employee stock options outstanding account (ESOP Reserve)

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	-	-
Add: Share based payment expenses	6.37	-
Less: Adjustment on forfeiture of ESOP	(0.06)	-
As at end of the year	6.31	-

13 FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Borrowings		
Term loans from banks & financial institutions - Secured	150.78	323.31
Non-Convertible Debenture - Secured	-	29.75
Vehicle loan - Secured	18.89	20.14
Less: Current maturities of Long term borrowings		
Term loans from banks & financial institutions - Secured	(6.88)	(80.00)
Non-Convertible Debenture - Secured	-	(29.75)
Vehicle loan - Secured	(7.31)	(5.40)
	155.48	258.05

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Term Loans from Banks
Term Loans have been availed from various banks. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has given collateral security of Factory Land and Building situated at Belagalo (Food) Industrial Area, Mysuru Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months .

Term Loans from Financial Institutions-Secured
Term Loans have been availed from various financial institutions. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has hypothecated plant and machinery. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months.

Non-Convertible Debentures- Secured
NCDs have been secured by specific plant and machinery and specific receivables. These are guaranteed by personal guarantee of promoter director of the company. 33% shares of the company held by one of the promoter/director has been pledged. These Debentures are repayable in 16 quarterly instalments. This NCDs was redeemed during FY 2023.

Vehicle Loans
Vehicle loan from banks are repayable in 48 to 72 monthly instalments along with the interest.

A break-up of the above loans is tabulated below:

Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2023	Amount outstanding As at March 31, 2022
Term Loans from banks - Secured	Saraswat Bank	Repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	112.00
Term loans from Bank - Secured	Canara Bank	Repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	3.12
	Canara Bank - GECL - 3	Repayable in 72 months in 48 equal monthly instalments after a moratorium of 24 months from date of disbursement.	-	45.00
	HDFC Bank Term Loan (Covid)		112.00	-
	Saraswat Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	-	109.67
	State Bank of India		-	30.36
	State Bank of India		-	16.91
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan -1	Repayable in 47 monthly instalments from the date of loan.	4.45	-
	Sundaram Finance Machinery Loan - 3	Repayable in 60 monthly instalments from the date of loan.	4.95	6.25
	Sundaram Finance Machinery Loan - 4		3.19	-
	Sundaram Finance Machinery Loan - 5		26.19	-
Non-Convertible Debenture - Secured	IL & FS - 15% Secured Non-Convertible Debentures	Repayable in 16 quarterly instalments with the first repayment starting from June 30, 2019 onwards.	-	29.75
Vehicle Loan - From Bank - Secured	Jeep Loan	Repayable in 60 monthly instalments from date of loan.	-	0.17
	Hdfc Car Loan - Tata Nexon		0.14	0.39
	Hdfc Car Loan - Jeep Compas		0.44	0.97
	Hdfc Car Loan - Innova		0.41	0.94
	Hdfc Car Loan - Benz		1.33	3.31
	SBI Loan - Mini Cooper		0.87	1.55
	Canara Car Loan-Skoda Octavia		1.20	-
	Saraswat Car Loan-Seltos		0.60	0.85
	Saraswat Car Loan-Nex		0.56	0.81
	Saraswat Car Loan - Bmw		2.54	3.37
	Saraswat Car Loan - Ertiga		0.60	0.81
	Saraswat Car Loan - Santro		0.37	0.50
	Car Loan		2.50	3.17
	Saraswat Bus Loan		1.33	1.69
	Saraswat Car Loan - Harrier		1.96	-
	Saraswat Car Loan - Skoda Kushaq		1.49	-
	Saraswat Car Loan - Innova Crysta		2.55	-
	Canara Car Loan-Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	-	1.61

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14 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
Property plant and equipment: timing differences on account of depreciation	95.25	94.38
Actuarial Gain/Loss	1.47	3.77
Fair Valuation of Mutual Funds	0.07	0.27
Gross deferred tax liability	96.79	98.42
Deferred Tax Asset		
Security Deposits	(0.08)	(0.09)
Actuarial Gain/Loss	-	(2.58)
Leases	(0.11)	(4.29)
Expenses: timing differences on expenses allowable on payment basis.	(19.78)	(10.76)
Gross deferred tax asset	(19.97)	(17.72)
Net deferred tax liability	76.82	80.70

15 LONG TERM PROVISIONS	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	32.98	36.32
Provision for compensated absences	14.85	10.33
	47.83	46.65

CURRENT LIABILITIES 16 FINANCIAL LIABILITIES	As at March 31, 2023	As at March 31, 2022
16(a) Current borrowings (At Amortised Cost)		
Credit Balance - Cash credit from banks (Secured)	699.01	1,158.19
Loans from Others (Unsecured)	-	21.51
Rupee Packing Credit (Secured)	310.24	99.12
Foreign Currency Packing Credit (Secured)	98.39	-
Current maturities of Long term borrowings		
- Term loans from banks & financial institutions - Secured	6.88	80.00
- Non-Convertible Debenture_Secured	-	29.75
- Vehicle loan	7.31	5.40
Total	1,121.83	1,393.97

Cash credit/Packing Credit from banks (Secured)
Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility holds a paripassu charge along with HDFC Bank, Indusind Bank and State Bank of India.

Loans from Others (Unsecured)
Short term loans from shareholders are repaid in FY 23 and closed.

The Break up of above loans is tabulated below

Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2023	Amount outstanding As at March 31, 2022
			206.27	354.64
Cash Credit	Canara Bank	Repayable on Demand	3.06	-
	Canara Bank ST		-	388.01
	Saraswat Bank		(100.75)	167.19
	State Bank of India		(2.98)	(1.65)
	SBI Parwanoo		2.39	-
	HDFC Bank		(53.41)	-
	Indusind Bank		(2.00)	
	Indusind Bank ST		(133.57)	
	Axis Bank			21.51
Term Loans from others Unsecured	Loans from Others	10 months or 12 months, Months differs by Party	-	
			780.00	250.00
Working Capital Loan	HDFC Bank	Repayable within 180 days from the date of disbursement		

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Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2023	As at March 31, 2022
Rupee Packing Credit - Secured	Canara Bank - Packing Credit FBE	Repayable on Demand	98.73	99.12
	Indusind Bank - EPC		52.03	-
	SBI Packing Credit		159.48	-
Foreign Currency	Indusind Bank - PCFC		98.39	-

16(b) Trade payables (At Amortised Cost)

	As at March 31, 2023	As at March 31, 2022
Dues to micro enterprises and small enterprises	202.28	45.31
Dues to other than micro enterprises and small enterprises	1,951.42	1,510.80
Total trade payables	2,153.70	1,556.11

Ageing Schedule

As at March 31, 2023

Particulars	Outstanding following for periods from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	201.93	0.35	-	-	202.28
Others	1,883.28	64.56	7.22	(3.64)	1,951.42

As at March 31, 2022

Particulars	Outstanding following for periods from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	44.58	0.73	-	-	45.31
Others	1,420.06	82.90	7.76	0.08	1,510.80

* No trade payables are disputed as at March 31,2023 and March 31, 2022.

16(c) Other current financial liabilities carried at amortized cost

	As at March 31, 2023	As at March 31, 2022
Payables - Capital Goods	13.73	30.91
Employee benefits payable*	80.89	65.60
Interest accrued and due on borrowings	15.63	6.01
	110.25	102.52

*Refer Related party disclosure for details on dues to employees

17 CURRENT TAX LIABILITIES (NET)

	As at March 31, 2023	As at March 31, 2022
Provision for income taxes (net of advance income taxes)	-	132.67
	-	132.67

18 OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Advance from customers	196.51	132.60
Advance from customers - Related Parties	78.66	66.83
Statutory dues and related liabilities	37.85	20.78
Other payables	253.41	87.72
	566.43	307.93

19 SHORT-TERM PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for Gratuity	8.64	7.46
Provision for Compensated absence	1.62	1.23
	10.26	8.69

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20 REVENUE FROM OPERATIONS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods	10,600.08	6,512.57
Sale of services	265.49	201.36
	10,865.57	6,713.93

The company derives revenue from the transfer of goods & services in the following geographical regions

India	9,824.77	5,634.22
Outside India	1,040.80	1,079.71
	10,865.57	6,713.93

Timing of Revenue Recognition		
Goods transferred at a point in time	10,600.08	6,512.57
Service transferred at a point in time	265.49	201.36
	10,865.57	6,713.93

21 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income :		
Interest received on deposits with banks	96.98	18.43
Interest received on Advances with others	13.48	-
Interest on Security Deposit	1.31	1.53
Gain On Fair Valuation of Mutual Funds	(0.34)	0.21
Profit on sale of property, plant & equipment (net)	-	0.08
Export Incentives	0.57	0.28
Other non-operating income	4.15	0.43
Exchange Differences (net)	0.83	26.65
	116.98	47.61

22 Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	1,683.75	1,127.93
Add: Purchase	9,422.88	5,333.76
Less : Inventory at the end of the year	(2,742.94)	(1,683.75)
Less: R&D exp - considered separately	(91.62)	(47.24)
Cost of materials consumed	8,272.07	4,730.70

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23 Changes in inventories of finished goods and work in progress

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods		
Closing stock	210.00	236.27
Opening stock	236.27	140.22
Sub total (A)	26.27	(96.05)
Work-in-progress		
Closing stock	838.26	140.52
Opening stock	140.52	199.07
Sub total (B)	(697.74)	58.55
Total Changes in Inventories	(671.47)	(37.50)

24 EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and incentive	650.64	542.16
Contribution to provident fund	24.38	21.63
Share based payment expenses	6.31	-
Gratuity contribution scheme (Refer note 34)	5.24	12.98
Staff welfare expenses	66.57	48.85
Less: R&D exp - considered separately	(53.09)	(64.70)
	700.05	560.92

25 FINANCE COSTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	280.86	222.08
Interest to Vendors	12.20	6.95
Interest on others	18.67	7.00
Other borrowing costs	17.75	8.47
Interest on lease liabilities (Refer Note 32)	21.65	12.19
Less: Capitalized	(7.30)	(6.26)
	343.83	250.43

26 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant & equipment (Refer Note 3)	71.72	63.33
Amortization of Intangible Assets (Refer Note 3(c))	63.70	29.71
Depreciation of Right To Use Assets (Refer Note 3(e))	41.32	30.57
	176.74	123.61

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

27 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	4.99	2.24
Rates and taxes	14.59	14.63
Printing and stationery	2.38	3.63
Insurance	12.88	8.00
Discount Allowed	2.04	2.60
Donation	3.66	0.31
Power and fuel	51.30	37.03
Contract Labour	154.88	148.11
Consumption of stores and spares	357.55	128.98
Repairs and maintenance - Plant & Machinery	13.82	10.87
Repairs and maintenance - Buildings	8.11	6.52
Repairs and maintenance - Others	27.33	18.05
Security maintenance expenses	9.94	9.17
Research and Development Expenses	6.24	11.76
Legal and professional fees	27.75	24.76
Andit Pees	5.00	2.40
Commission Expenses	0.03	0.85
LD/Claim Settled	2.90	2.25
Bank charges	14.20	13.78
Communication expenses	3.55	4.12
Travelling and conveyance	41.08	21.99
Bnsiness Promotion	20.13	7.35
Freight and forwarding charges	93.15	63.41
CSR expenditure	5.29	2.38
Provision for ECL	14.99	8.95
Hire charges	12.36	2.78
Director sitting fees	2.38	-
Miscellaneous expenses	3.64	0.84
	916.16	557.76

Research and Development Expenditure	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw Materials, Components and Consumables	91.62	47.24
Salaries and Wages	53.09	64.70
Communication expenses	0.55	0.09
Travelling and Conveyance	1.05	-
	146.31	112.03
Less: Capitalized	(140.07)	(100.27)
	6.24	11.76

Payment to Auditors (After Other expenses)	For the year ended March 31, 2023	For the year ended March 31, 2022
As statutory auditors		
Audit fees	2.50	2.00
Tax audit fee	0.50	0.40
Limited review fees	2.00	-
In other capacity		
Other services (includes certification fees)	-	-
Reimbursement of expenses	-	-
	5.00	2.40

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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28 Contingent Liabilities and Commitments

	Particulars	As at March 31, 2023	As at March 31, 2022
	Contingent Liabilities:		
a)	**Claims against the company not acknowledged as debt**		
	Disputed Income Tax Demand [refer note 27.1]	1.74	1.74
	Disputed Income Tax Demand - CPC Demand (refer note 27.2)	6.05	6.05
	Disputed Income Tax Demand - CPC Demand (refer note 27.3)	3.32	3.32
	Disputed Income Tax Demand - CPC demand (refer note 27.4)	62.69	3.99
	Disputed Indirect taxes Demand (Refer note 27.5)	51.35	56.92
b)	Bank Guarantees for contractual performance	68.74	68.74
c)	Letter of Credit issued by bank	6.19	3.27
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of Rs 5.5 Millions)	450.00	273.21
e)	On account of Bills Discounted with Banks set off against Trade Receivable	520.78	471.00
f)	Corporate Guarantee to Subsidiary Company	84.00	44.00
g)	Other sums for which company is contingently liable	-	11.24
	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	9.18	9.18
(ii)	Cumulative dividend on Preference shares	-	0.15
(iii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted	12.14	12.14

1 CPC demand of Rs. 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 was disputed in appeal before CIT(A) and the matter is resolved in FY 2021-22.

2 Income tax authorities Disallowed R& D expenditure and raised a demand for non submission of certificate from DSIR , Delhi. We requested for extension of time and in the process of obtaining the certificate to substantiate the claim.

3 The disallowance on account of delay in payment of employer's coutribution to EPF & ESI . Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supportings provided by us to substantiate our claim.

4 Commissioner of Income tax , Bangalore has issued a notice on Short deduction of TDS for various years commencing from FY 2009-10 to 2022-23 and imposed a Interest and penalty .Demand appearing in the TDS Portal amounts to INR 62.69 Million . We are in the process of adjusting the demand against the unconsumed challans available . We have already submitted a request to the commissioner for extension of time for reconciliation of TDS .

5 There are 16 cases relating to excise, VAT, Customs and CST amounting to INR 56.9 Million covering a period commencing from FY 2012-13 to 2018-19 pertaining to units located in various states in Karnataka, Uttarakand, Haryana, Tamilnadu and Maharashtra. Many of the cases required Information provided to the Concerned authorities and are in progress.

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

29 Related Party Disclosures

Disclosure in respect of material transactions with associated parties as required by IND AS 24 "Related Party Transactions".

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

Ref.	Description of relationship	Names of Related parties
[1.]	*Subsidiary Companies:*	Kaynes Embedded Systems Private Limited
		Kemsys Technologies Private Limited
		Kaynes Technology Europe Gmbh
		Kaynes International Design & Manufacturing Private Limited
		Kaynes Electronics Manufacturing Private Limited
[2.]	*Entity Controlled by Directors:*	Aaviza Electronics Private Limited (Formerly Kaynes Interconnection Systems India Private Limited) (unrelated w.e.f 10.07.2022)
		Kaynes Technology Inc.
		Kemsys Technologies Inc.
		Kaynes Circuits Private Limited
		Kaynes Electro-Plast Private Limited
		Mysore ESDM Cluster
		Wendorhub Solutions Private Limited
		Cheyyur Real Estates Private Limited
		Cheyyur Properties Private Limited
		Nambi Reality Private Limited
[3.]	*Entity where relative of Directors have substantial interest*	A ID Systems (India) Private Limited
[4.]	*Key Management Personnel:*	
	Ms. Savitha Ramesh	Chairperson
	Mr. Ramesh Kunhikannan	Managing Director
	Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08.04.2022)
	Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03.03.2021 to 02.10.2021)
	Mr Rajesh Sharma	Chief Executive Officer (w.e.f 20.12.2021)
	Mr Anup Kumar Bhat	Independent Director (w.e.f 12.01.2022)
	Mr Vivekandh Ramaswamy	Independent Director (w.e.f 12.01.2022)
	Mr Lakshmi Narayana Nutheti	Independent Director (From 12.01.2022 to 01.02.2022)
	Mr Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21.02.2022)
	Mr Alexander Koshy	Independent Director (w.e.f 21.02.2022)
	Ms Poornima Ranganath	Independent Director (w.e.f 31.03.2022)
	Mr Venkata Ramana Mannapragada	Chief Financial Officer (From 20.12.2021 to 08.04.2022)
	Ms Narayanan Srividhya	Company Secretary (Till 31.03.2023)
	Mr. Ramachandran Kunnath	Company Secretary & Compliance Officer (w.e.f 01.04.2023)
[5.]	*Relatives of KMP's:*	
		Ms. Premita Ramesh
		Mr. Govind Shasiprasad Menokee

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

[B.] Transactions with KMPs

Transactions / Balances	For the year ended March 31, 2023	For the year ended March 31, 2022
[i.] Remuneration and Commission:		
Mr. Ramesh Kunhikannan	18.00	13.14
Ms. Savitha Ramesh	18.00	11.54
Mr. Jairam Paravasthu Sampath	6.40	4.80
Mr. Satheesh Kumar Gopa Kumar	-	2.00
Ms. Premita Ramesh	5.40	3.55
Mr. Govind Shasiprasad Menokee	6.60	4.95
Mr Venkata Ramana Mannapragada	0.56	2.24
Ms Narayanan Srividhya	1.52	0.85
Mr Rajesh Sharma	8.00	3.35
[ii.] Reimbursement of expenses		
Mr Rajesh Sharma	0.14	0.04
[iii.] Transaction in current account (net)		
Mr. Ramesh Kunhikannan	3.56	3.56
Ms. Savitha Ramesh	4.18	4.18
Ms. Premita Ramesh	-	(1.13)
Mr. Jairam Paravasthu Sampath	-	(1.29)
Mr. Govind Shasiprasad Menokee	-	0.08

[C.] Balances with KMPs and relatives of KMPs	As at March 31, 2023	As at March 31, 2022
[i.] Amount Receivable from / Due to directors:		
Mr. Ramesh Kunhikannan (Dr. Balance)	-	3.56
Ms. Savitha Ramesh (Dr. Balance)	-	4.18
Mr. Jairam P Sampath (Dr. Balance)	0.44	-
[ii.] Amount Receivable from / Due to KMP:		
Mr Rajesh Sharma (Dr. Balance)	1.60	-
[iii.] Salaries payable		
Mr. Ramesh Kunhikannan	0.98	0.94
Ms. Savitha Ramesh	0.99	0.96

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Mr. Jairam Paravasthu Sampath	0.42	0.30
Ms. Premita Ramesh	0.32	0.33
Mr. Govind Shasiprasad Menokee	0.40	0.42
Mr Rajesh Sharma	0.06	0.51
Mr Venkata Ramana Mannapragada	-	0.38
Ms Narayanan Srividhya	0.19	0.11

[D.] Transactions with Related Parties other than KMPs

Name of the related party	Nature of the transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing, Distribution, Administration, Management & Other Support Services	-	19.03
	Sale of material	5.03	1.37
	Purchases	0.05	2.22
Kemsys Technologies Private Limited	Loans and Advances given to	30.05	90.47
	Loans and Advances repaid by	3.10	27.72
	Services Received from	-	2.91
	Interest on loan advanced	13.48	8.43
	Purchases	1.05	0.02
	Sale of material	-	8.87
Kaynes Electronics Manufacturing Private Limited			
	Investments	0.10	-
	Loans and Advances given to	99.70	-
Kaynes Interconnection Systems India Private Limited			
	Sale of material	15.12	9.33
	Services Received	-	0.07
	Purchase of Material	41.28	18.89
Kaynes Technology Inc.			
	Services Rendered	48.06	26.72
	Services Received	0.11	-

[E.] Balances with Related Parties other than KMPs

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	78.66	67.13
	Investments	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	180.96	177.98
	Investments	5.00	5.00
Kaynes Embedded Systems Private Limited	Investments	2.64	3.00
Kaynes Technology Europe GMBH	Investments	9.24	9.24

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

Kaynes Electronics Manufacturing Private Limited			
	Investments	0.10	-
	Loans and Advances given to	99.70	-
Kaynes Interconnection Systems India Private Limited			
	Loans and Advances	-	3.20
	Trade Payables	4.23	-
Mysore ESDM Cluster			
	Investments / Loans and Advances	2.64	2.64
Kaynes Technology Inc.			
	Services Rendered Receivable	8.87	7.95

30 **Segment information**

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified India and Outside India as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

A) Revenue from Customers

Geographic Segment	For the year ended March 31, 2023	For the year ended March 31, 2022
Outside India	1,040.80	1,079.71
In India	9,824.77	5,634.22
	10,865.57	6,713.93

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.

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31 Earnings per share (EPS)

Particulars	As at March 31, 2023	As at March 31, 2022
Earnings		
Profit after tax for the year	947.61	409.85
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the beginning of the year	4,61,58,006	68,00,002
Add : Shares Issued during the year	1,13,67,720	20
Add : Shares Issued during the year on conversion of CCPS	6,16,770	7,67,866
Add : Bonus Shares Issued during the year *	-	1,25,113
Number of Shares outstanding at the end of the year	5,81,42,496	76,93,001
Add : Post Bonus issue #	-	3,84,65,005
Number of Shares outstanding at the end of the year (Post bonus issue #)	**5,81,42,496**	**4,61,58,006**
Weighted average number of equity shares For calculating Basic EPS	4,78,94,922	4,16,34,474
Profit after tax for the year attributable to equity shareholders	947.61	409.85
Cumulative Preference Dividend	-	-
Basic EPS (Rs. per share)	**19.79**	**9.84**
Diluted :		
Number of shares considered as basic weighted average shares outstanding	4,78,94,922	4,16,34,474
Add: Effect of diluted equity shares relating to CCPS issued during the year	5,68,443	46,73,516
Number of shares considered as diluted weighted average shares outstanding	4,84,63,365	4,63,07,990
Diluted EPS (Rs. per share)	19.55	8.85
Restated Earnings per equity share (Face Value INR 10/- per share)		
- Basic	19.79	9.84
- Diluted	19.55	8.85

* The Company has issued bonus shares during the period ended March 31, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on February 21, 2022, and Board of Directors on February 25, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date March 31, 2022. In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

32 Disclosure with respect to Ind AS 116 - Leases

Information about Leases Assets for which the company is a lessee is presented below

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	163.07	77.27
Additions	29.11	116.91
Deletions	3.55	(0.54)
Depreciation*	(41.32)	(30.57)
Balance as at end of the year	**154.41**	**163.07**

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

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Standalone Statement of Profit and Loss.

The changes / movement in Lease Liabilities of the company are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	163.07	77.27
Additions	29.11	116.91
Deletions	3.55	(0.54)
Payment of lease liabilities	(32.58)	(39.34)
Accreditation of interest	21.60	12.19
Balance as at end of the year	184.75	166.49
Current Liabilities	33.86	27.86
Non-Current Liabilities	139.80	149.49
Total cash outflow for leases	32.58	39.34

The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:

Expenses relating to short-term leases and/or leases of low-value items	4.99	2.24
Interest on lease liabilities	21.65	12.19
Depreciation expense	41.32	30.57
Total	67.96	45.00

Contractual maturities of lease liabilities on undiscounted basis

	As at March 31, 2023	As at March 31, 2022
Less than one year	29.73	27.86
One to five years	105.40	49.22
More than five years	38.50	13.73
	173.63	90.81

33 Taxes

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	302.11	144.74
B. Deferred tax (credit)/charge	(4.55)	21.03
Net deferred tax	(4.55)	21.03
Total income tax expense recognised in statement of Profit & Loss	**297.56**	**165.77**

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C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Origination and reversal of temporary differences - OCI	(0.70)	0.54
Remeasurement of Defined Benefiy Obligation	-	-
Total	(0.70)	0.54

Current tax assets / liabilities (net)

	As at March 31, 2023	As at March 31, 2022
D. Advance tax (net of provision for tax)	33.53	-
E. Provision for tax (net of advance payment of taxes)	-	132.67

Deferred tax assets / liabilities (net)	As at March 31, 2023	As at March 31, 2022
F.Deferred tax asset	(19.78)	(10.76)
G.Deferred tax liability	(0.07)	(0.27)
Deferred tax Liability (net)	(19.85)	(11.03)

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before Tax	1,245.17	575.62
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expense using the Company's applicable rate	313.38	144.87
Deferred tax effect	(4.55)	21.03
Deferred tax effect on all amounts debited to other comprehensive income (OCI) in the statement of profit and loss that will not be re-classified to profit or loss;	(0.70)	0.54
Income tax expense recognised in statement of profit or loss	297.56	165.77

Note: The tax rate used for the period ended March 31, 2023 and March 31, 2022 reconciliations above is the corporate tax rate of 25.17% and 25.17% respectively, payable by corporate entities in India on book profits under Indian Income Tax Laws.

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34 Employee benefit plans

[a.] Defined Contribution Plans

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' contribution to Provident Fund	5.38	5.24
Employers' contribution to Employee State Insurance	5.18	4.48
Employers' contribution to Employee's Pension Scheme 1995	12.21	11.90

[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.

Gratuity -Funded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate (per annum)	7.50%	7.25%
Expected return on plan assets	7.01%	6.75%
Salary escalation rate*	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

*The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority,

ii. Reconciliation of Obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the beginning of the year	43.78	**37.43**
Current Service Cost	8.02	7.34
Interest Cost	3.17	2.71
Actuarial (gain)/ loss	(4.19)	0.40
Benefits Paid	(3.41)	(4.10)
Present value of obligation at the end of the year	**47.37**	**43.78**

iii. Reconciliation of fair value of plan assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the beginning of the year	3.53	**6.07**
Actual return of plan assets	0.23	0.44
Actuarial gain/ (loss)	0.03	(0.11)
Contributions	5.40	1.23
Benefits paid	(3.41)	(4.10)
Fair value of plan assets at the end of the year	5.78	3.53

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iv. Description of Plan Assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Insured Managed Funds(LIC India)	5.78	3.53

v. Net (Asset)/ Liability recognized in Standalone statement of assets and liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the end of the year	47.37	43.78
Fair value of plan assets at the end of the year	5.78	3.53
Net (asset)/ liability recognised in Standalone statement of assets and liabilities	41.59	40.25

vi) (Income)/ Expense recognized in Standalone statement of profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	8.02	7.34
Interest Cost	3.17	2.71
Actuarial (gain)/ loss recognized for the period	(4.22)	0.51
Expected return on plan assets	(0.23)	(0.44)
(Income)/ Expenses recognized in Standalone statement of profit and loss	6.74	10.12

vii) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	47.37	43.78
Impact due to increase of 1%	43.92	40.43
Impact due to decrease of 1%	51.41	47.73
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	47.37	43.78
Impact due to increase of 1%	51.47	47.79
Impact due to decrease of 1%	43.82	40.33
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	47.37	43.78
Impact due to increase of 1%	47.99	44.33
Impact due to decrease of 1%	46.61	43.12

viii) Maturity profile of defined benefit obligation:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Year 1	8.86	7.46
Year 2	2.13	1.58
Year 3	1.95	1.94
Year 4	2.97	1.47
Year 5	1.32	2.60
Years 6 to 10	30.14	28.73

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

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ix) Other comprehensive (income) / expenses (Remeasurement)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(6.03)	(6.54)
Actuarial (gain)/loss - obligation	(4.19)	0.40
Actuarial (gain)/loss - plan assets	0.03	0.11
Total Actuarial (gain)/loss	(4.16)	0.51
Cumulative total actuarial (gain)/loss. C/F	(10.19)	(6.03)

Compensated Absences- Unfunded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate (per annum)	7.50%	7.25%
Expected return on plan assets	NA	NA
Salary escalation rate*	5.00%	5.00%

ii. Reconciliation of Obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the beginning of the year	**11.56**	**5.54**
Current Service Cost	5.68	3.86
Interest Cost	0.84	0.40
Actuarial (gain)/ loss	(1.62)	1.76
Present value of obligation at the end of the year	**16.46**	**11.56**

iii. Net (Asset)/ Liability recognized in Standalone statement of assets and liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the end of the year	16.46	11.56
Net (asset)/ liability recognised in Standalone statement of assets and liabilities	16.46	16.24

iv) (Income)/ Expense recognized in Standalone statement of profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	5.68	3.86
Interest Cost	0.84	3.86
Actuarial (gain)/ loss recognized for the period	(1.62)	1.76
(Income)/ Expenses recognized in Standalone statement of profit and loss	4.90	9.48

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v) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	16.47	11.56
Impact due to increase of 1%	15.16	10.55
Impact due to decrease of 1%	17.99	12.76
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	16.47	11.56
Impact due to increase of 1%	18.02	12.78
Impact due to decrease of 1%	15.13	10.53
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	16.47	11.56
Impact due to increase of 1%	16.79	11.80
Impact due to decrease of 1%	16.08	11.29

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35 Employees' Stock Option Plans (ESOP)

(i) Kaynes Employees Stock Option Scheme 2022

The members of the Company at its Extraordinary General Meeting held on January 12, 2022 had approved the issue of Stock Options to eligible employees/directors of the Company and its subsidiaries. Accordingly, the Board a their meeting held on January 12, 2022 approved the "Kaynes ESOP Scheme 2022". A Compensation Committee was formed to govern the "Kaynes ESOP Scheme 2022" which has approved Details are as follows:

Particulars	Year 1	Year 2	Year 3	Year 4
Grant Date	04.07.2022	04.07.2022	04.07.2022	04.07.2022
Vesting date	04.07.2023	04.07.2024	04.07.2025	04.07.2026
Option Granted (Nos)	9,23,160	9,23,160	9,23,160	9,23,160
Exercise price (Amount in Rs. per share)	138.00	138.00	138.00	138.00

(ii) Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

(iii) Inputs in the pricing model

Particulars	Year 1	Year 2	Year 3	Year 4
Weighted average fair Value of options	18.07	22.66	32.26	35.32
Exercise price (Amount in Rs. per share)	138.00	138.00	138.00	138.00
Expected Volatility	16.96%	17.28%	25.02%	23.42%
Options Life (Number of Years)	1.50	2.00	2.50	3.00
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	6.13%	6.41%	6.62%	6.77%

(iv) Movement in stock options

For the year ended March 31, 2023

Particulars	No of Options
Options outstanding as at March 31, 2022	-
New options issued during the year	9,23,160
Options exercised during the year	-
Lapsed/ forfeited during the year	(27,260)
Expired during the year	-
Options outstanding as at March 31, 2023	**8,95,900**
Options exerciseable as at March 31, 2023	-

During the year ended March 31, 2023, the Company recorded an employee share based payment expense of Rs. 6.31 Million in the Statement of Profit and Loss.

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36 **Financial risk management objectives and policies**

The company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. the company has trade and other receivables, loans and advances that arise directly from its operations.

The company is accordingly exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. the company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates.

The company has no exposure to financial instruments with an interest rate risk as on March 31, 2023 and March 31, 2022.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. the company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency) and the company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The sensitivity analysis has been based on the composition of the company's financial assets and liabilities at the end of the respective reporting periods. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency	INR (Millions)	Foreign Currency	INR (Millions)
Financial assets					
Trade receivable	EURO	1.14	101.29	1.12	93.70
Trade receivable	GBP	1.27	128.39	0.73	72.17
Trade receivable	JPY	1.00	0.63	1.09	0.67
Trade receivable	USD	4.38	357.95	4.04	304.22
Trade receivable	CHF	-		-	-
Advance to suppliers	EURO	0.18	16.06	0.13	11.45
Advance to suppliers	GBP	0.05	4.61	0.03	3.43
Advance to suppliers	JPY	27.67	17.37	0.04	2.24
Advance to suppliers	USD	2.04	166.97	2.95	224.08

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency	INR (Millions)	Foreign Currency	INR (Millions)
Financial Liabilities				-	
Trade payables	EURO	0.43	37.97	0.34	28.95
Trade payables	GBP	0.54	54.18	0.01	0.79
Trade payables	JPY	74.79	46.95	59.10	36.98
Trade payables	USD	15.44	1,261.70	10.22	779.57
Trade payables	CHF			-	-
Net Exposure in financial asset			(607.53)		(134.33)

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Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange trausactions and other financial instruments.

A. Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

The company does not hold collateral as security. the company evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

The company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions. Expected credit loss allowance is calculated by comparing the management estimates with the provision matrix.

Details of allowances for expected credit losses are provided hereunder

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	25.74	16.79
Provisions created	14.99	8.95
Adjustments	-	-
Closing at the end of the year	40.73	25.74

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year subject to approval of the company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. the company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. the company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,121.83	155.48	1,277.31
Trade Payables	2,153.70	-	2,153.70
Other financial liabilities	110.25	-	110.25
Lease liabilities	33.86	139.80	173.66
Total	3,419.64	295.28	3,714.92

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The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,393.97	258.05	1,652.02
Trade Payables	1,617.89	-	1,617.89
Other financial liabilities	102.52	-	102.52
Lease liabilities	27.86	149.49	177.35
Total	**3,142.24**	**407.54**	**3,549.78**

37 Capital management

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholders value. the company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. the company monitors capital using a gearing ratio, which is net debt divided by total capital. the company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at March 31, 2023	As at March 31, 2022
Gross debt	1,277.31	1,652.02
Less: Cash and Cash equivalents	(231.84)	(55.07)
Net debt	**1,045.47**	**1,596.95**
Equity	9,583.86	2,024.06
Total capital	**9,583.86**	**2,024.06**
Gearing ratio	**10.91%**	**78.90%**

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38 Financial instruments: Fair values

Particulars	As at March 31, 2023				As at March 31, 2022			
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI	Amortised cost	Total Carrying Amount
Financial assets								
At Fair value								
Investments - Equity	-	29.18	-	29.18	-	26.57	-	26.57
Investments - Mutual Funds	10.96	-	-	10.96	1.29	-	-	1.29
At amortised cost:								
a) Trade receivables	-	-	2,202.58	2,202.58	-	-	1,888.99	1,888.99
b) Cash and cash equivalents	-	-	231.84	231.84	-	-	55.07	55.07
c) Bank balances other than cash and cash equivale	-	-	4,559.13	4,559.13	-	-	141.87	141.87
d) Loans and deposits	-	-	282.17	282.17	-	-	205.95	205.95
e) Other financial assets	-	-	242.15	242.15	-	-	59.74	59.74
Total Financial Assets	10.96	29.18	7,517.87	7,558.01	1.29	26.57	2,351.62	2,379.48
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	155.48	155.48	-	-	258.05	258.05
b) Borrowings (Short term)	-	-	1,121.83	1,121.83	-	-	1,393.97	1,393.97
c) Trade payables	-	-	2,153.70	2,153.70	-	-	1,556.11	1,556.11
d) Other Financial Liabilities	-	-	110.25	110.25	-	-	102.52	102.52
e) Lease Liabilities	-	-	173.66	173.66	-	-	177.35	177.35
Total Financial Liabilities	-	-	3,714.92	3,714.92	-	-	3,488.00	3,488.00

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The company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2023	40.14	10.96	-	29.18

There are no transfers between levels 1 and 2 during the year.

ii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2022	27.86	1.29	-	26.57

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Notes to the Standalone Financial Statements
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40 Ratios as per Schedule III Requirements

a) Current Ratio = Current Assets divided by Current Liabilities

	As at March 31, 2023	As at March 31, 2022
Current Assets	12,226.84	4,817.21
Current Liabilities	3,996.33	3,529.75
Ratio	3.06	1.36
% Change from previous period/year	124.18	
Reason for change more than 25%		

Ratio increase is due to increase in inventory, Trade Receivables, bank balance and other asset as Initial Public Offer (IPO) money was invested in Current Assets.

b) Debt Equity Ratio = Total Debt divided by total equity

	As at March 31, 2023	As at March 31, 2022
Total Debt	1,277.31	1,652.02
Total Equity	9,583.86	2,027.85
Less: Non free reserves	-	(5.31)
Equity attributable to the owners of the company	9,583.86	2,022.54
Ratio	0.13	0.82
% Change from previous period/year	(83.68)	
Reason for change more than 25%		

Ratio change is due to receipt of Share Premium on issue of Equity share and due to addition of profit for the year.

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,245.17	575.62
Less : Preference Dividend	-	-
Add: Depreciation	176.74	123.61
Add: Finance Cost	343.83	250.43
Adjusted Profit	1,765.74	949.66
Interest cost on borrowings	343.83	250.43
Principal repayments	-	-
Total of Interest and Principal repayments	343.83	250.43
DSCR	5.14	3.79
% Change from previous period/year	35.43	
Reason for change more than 25%		

The improvement in the ratio for the year ended March 31, 2023 is due to a significant increase in profit before tax (PBT)

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d) Return on Equity Ratio = Profit after Tax divided by Equity

	As at March 31, 2023	As at March 31, 2022
Profit after tax	947.61	409.85
Total Equity	9,583.86	2,027.85
Less: Non free reserves	-	(5.31)
Equity attributable to the owners of the company	**9,583.86**	**2,022.54**
Average Shareholder's equity *	5,803.20	1,698.21
Ratio	**16.33**	**24.13**
% Change from previous period/year	(32.34)	
Reason for change more than 25%		

The improvement in ratio is due to increase in total equity due to share premium and profit for the year.

e) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables

	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	10,865.57	6,713.93
Average Trade Receivables	2,045.79	1,552.23
Ratio	**5.31**	**4.33**
% Change from previous period/year	22.79	
Reason for change		

The improvement in the ratio for March 31 2023 is due to better collections

f) Trade Payables Turnover Ratio = Credit Purchases divided by closing trade payables

	As at March 31, 2023	As at March 31, 2022
Credit Purchases	9,422.88	5,333.76
Average Trade payables	1,854.91	1,218.04
Ratio	**5.08**	**4.38**
% Change from previous period/year	16.01	
Reason for change		

Increase in ratio due to increase in purchase and year end trade payables.

g) Inventory Turnover Ratio = Revenue from operations divided by Closing Inventory

	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	10,865.57	6,713.93
Average Inventory	3,090.87	1,845.31
Ratio	**3.52**	**3.64**
% Change from previous period/year	(3.38)	
Reason for change more than 25%		

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h) Net Capital Turnover ratio= Sales divided by net working capital

	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	10,865.57	6,713.93
Average working capital	4,758.99	1,032.59
Ratio	**2.28**	**6.50**
% Change from previous period/year	(64.89)	

Reason for change more than 25%

Decrease in ratio due to increase in average working capital.

i) Profit Ratio = Profit after tax divided by Revenue from Operations

	As at March 31, 2023	As at March 31, 2022
Profit after tax	947.61	409.85
Revenue from Operations	10,865.57	6,713.93
Ratio	**8.72**	**6.10**
% change from previous period/year	42.87	

Reason for change more than 25%-

The improvement in the ratio for the period ended March 31, 2023 is due to the increase in profits as a result of increase in turn over.

j) Return on Capital Employed= Adjusted EBIT / Total Capital Employed

	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,245.17	575.62
Add: Finance Costs	343.83	250.43
EBIT	**1,589.00**	**826.05**
Tangible Net worth	8,828.58	1,335.91
Non Current Borrowings	155.48	258.05
Short Term Borrowings	1,121.83	1,393.97
Total	**10,105.89**	**2,987.93**
ROCE	**15.72**	**27.65**
% change from previous period/year	(43.13)	

Reason for change more than 25%-

The decrease in ratio is due to increase in net worth as a result of Initial Public Offer (IPO)

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41 Disclosure required under Section 186 (4) of the Companies Act, 2013

(i) Included in loans, the particulars of which are disclosed in below as required by Sec 186(4) of the Companies Act 2013:

Sl. No.	Name of the Borrower	Type	Rate of Interest	Secured/ Unsecured	Due Date	Purpose	As at March 31, 2023	As at March 31, 2022
1	Kemsys Technologies Private Limited	Loan	8%	Unsecured	On Demand	General business purpose	180.96	177.98
2	Kaynes International Design & Manufacturing Private Limited	Corporate Guarentee	-	Unsecured	30.03.2023	General business purpose	84.00	44.00
3	Mr. Ramesh Kunhikannan	Loan	8%	Unsecured	30.03.2023	As per scheme u/s 185	-	3.56
4	Ms. Savitha Ramesh	Loan	8%	Unsecured	30.03.2023	As per scheme u/s 185	-	4.18

42 Other Statutory disclosures

1. Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2. The Struck off Company details

S. No.	Name of the Struck off Company	Nature of transactions with struck off company	As at March 31, 2023	As at March 31, 2022
1	Kaynes Electro-Plast Private Limited	No Transactions	-	-
2	Wendorhub Solutions	No Transactions	-	-

3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

5(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. The company has neither declared nor paid any interim dividend or final dividend during the year.

7. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

8. The company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

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

43 Corporate social responsibility expenses:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year *	8.06	2.38
Amount of expenditure incurred.	8.06	-
Shortfall at the end of the year	-	2.38
Total of previous years shortfall.	-	2.77

* Including previous year's shortfall

The company's CSR Activities primarily involve in the promotion of education, healthcare, art and cultural promotion, animal welfare, rural developement, natural calamities relief and skill developement for underprivileged people.

The shortfall in the previous year has arisen due to the lack of eligible projects due to the impact of the pandemic.

44 **Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act):**

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to micro & small enterprises	202.28	45.31
Interest due on above	1.52	6.95
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the period	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

Note: The above information and that given in Note 16(b) 'Trade Payables' regardiug Micro and Small Enterprises has been determined on the basis of information available with the company and has been relied upon by the auditors.

45 Previous year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023