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**KAYNES INTERNATIONAL DESIGN AND  
MANUFACTURING PRIVATE LIMITED**

**FINANCIAL  
STATEMENTS**

**AS AT  
31.03.2019**

## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
Kaynes International Design and Manufacturing Private Limited  
Bangalore.

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Kaynes International Design and Manufacturing Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date.

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

#### Basis for Opinion

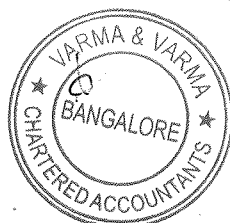
We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.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

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

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

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

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



## **Management's Responsibility for the Financial Statements**

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

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

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

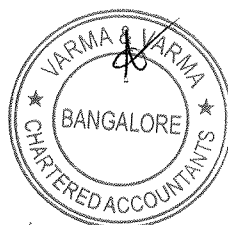
The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to



continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

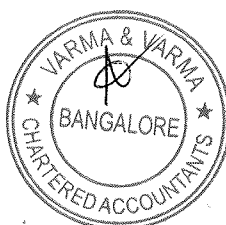
- o Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As the paid-up capital and reserves of the company is less than Rs.1 Crore and the company has not borrowed loans from financial institutions exceeding Rs. 1 Crore and the aggregate turnover of the company is less than 10 crores, the company (Auditor's Report) Order, 2016(CARO) issued by the central government of India in the terms of sub section (11) of the section 143 of the Companies Act, 2013, is not applicable to the company.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) As per the notification of the Ministry of Corporate Affairs G.S.R. 464(E) dated the 5th June, 2015 read with amended notification G.S.R. 583(E) dated the 13th June, 2017 the reporting requirement on Internal Financial Control under section 143(3)(i) of the Act is not applicable to the company since the turnover of the company is less than the prescribed threshold of rupees fifty crores as per latest audited financial statements and the aggregate outstanding borrowings (excluding non-fund based facilities) from banks or financial institutions or any body corporate at any point of time during the financial year is less than the prescribed threshold of rupees twenty five crores.



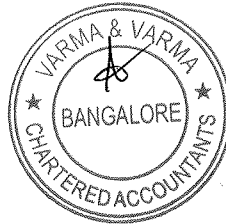
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations which would have an impact on its financial position in its financial statements, the impact if any on the final settlement of these litigations is not ascertainable at this stage;
  - ii. As explained to us and as seen from its financial records verified by us, the company has no entered into any long-term contracts including derivative contracts that could have any material foreseeable losses.
  - iii. there are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore

Date: 16/9/19



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

A handwritten signature in black ink, appearing to be "ANEESAN C".

**ANEESAN C**

Partner

M No. 219131

UDIN: 19219131AAAABK8369


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COMPUTATION OF TOTAL INCOME		
Company Name	:	KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED
PAN	:	AAHCK 3729 J
Assessment Year	:	2019-20
Previous Year	:	2018-19
(Amounts in ₹.)		
PARTICULARS	AMOUNT	AMOUNT
Profit/(loss) before tax		(11,91,995)
Items to be added back		
- Pre-incorporation expenses	9,83,286	
- Amounts inadmissible u/s 40a(ia)	22,500	10,05,786
<b>PROFITS/GAINS FROM BUSINESS OR PROFESSION</b>		<b>(1,86,209)</b>
<b>GROSS TOTAL INCOME</b>		<b>-</b>
Other Deductions		
<b>TAXABLE INCOME</b>		<b>-</b>
Income Tax Computation		
Tax @ 25%	-	-
Cess @ 4%	-	-
interest u/s 234		-
<b>TAX PAYABLE</b>		<b>-</b>

Losses to be carried forward to AY 2020-21

Particulars	Assessment Year	Amount (Rs.)
Business Loss	2019-20	1,86,209

For and on behalf of Board of Directors of  
 Kaynes International Design & Manufacturing Private Limited  
 CIN: U74999KA2018PTC118692

  
 Ramesh Kunhikannan  
 Director  
 [DIN:02063167]





Savitha Ramesh  
 Director  
 [DIN:01756684]

Date: 16/09/19  
 Place: Mysore

Date: 16/09/19  
 Place: Mysore

KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH

(Amounts in ₹.)

	Note	2019
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds:</b>		
Share Capital	2	15,00,000
Reserves and Surplus	3	(11,91,995)
<b>Current Liabilities :</b>		
Trade payables	4	-
- Total outstanding dues of micro and small Enterprises		-
- Total outstanding dues of creditors other than micro and small enterprise		1,26,975
Other Current Liabilities	5	2,73,30,900
<b>Total</b>		<b>2,77,65,880</b>
<b>ASSETS</b>		
<b>Non-Current Assets :</b>		
Long Term Loans and Advances	6	4,91,580
<b>Current Assets :</b>		
Cash & Bank Balance	7	1,13,030
Short term loans and advances	8	2,71,61,270
<b>Total</b>		<b>2,77,65,880</b>
Significant Accounting Polices	1	
Other notes	10-19	

For and on behalf of the Board of directors of  
Kaynes International Design & Manufacturing Private Limited  
CIN : U74999KA2018PTC118692

As per our report of even date attached  
For VARMA & VARMA  
Chartered Accountants  
FRN 0045325



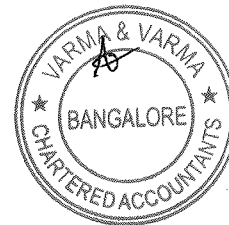
Ramesh Kunhikannan  
Director  
[DIN: 02063167]

Place: Mysore  
Date: 16/09/19



Savitha Ramesh  
Director  
[DIN: 01756684]

Place: Mysore  
Date: 16/09/19




Aneesan C  
Partner  
M No.: 219131

Place: Bangalore  
Date: 16/9/19

KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED  
 PROFIT AND LOSS STATEMENT FOR THE PERIOD


(Amounts in ₹.)

	Note	From 21.11.2018 to 31.3.2019
<b>INCOME</b>		
Revenue from operations		-
<b>EXPENDITURE</b>		
Other Expenses	9	11,91,995
		<u>11,91,995</u>
Profit / (Loss) Before Tax		(11,91,995)
Tax expenses		-
Profit / (Loss) after tax		(11,91,995)
<b>Earnings Per Equity Share</b>	18	
-Basic Earnings Per Equity Share		(7.95)
-Diluted Earnings Per Equity Share		(7.95)
Significant Accounting Policies	1	
Other notes	10-19	


The accompanying notes form an integral part of the Financial Statements

For and on behalf of the Board of Directors of  
 Kaynes International Design & Manufacturing Private Limited  
 CIN : U74999KA2018PTC118692

As per our report of even date attached  
 For VARMA AND VARMA  
 Chartered Accountants  
 FRN 0045325

  
 Ramesh Kunhikannan  
 Director  
 [DIN: 02063167]

  
 Savitha Ramesh  
 Director  
 [DIN: 01756684]

  
 Aneesan C  
 Partner  
 M No.: 219131

Place : Mysore  
 Date : 16/09/19

Place : Mysore  
 Date : 16/09/19

Place : Bangalore  
 Date : 16/9/19



KAYNES TECHNOLOGY INDIA PRIVATE LIMITED  
STATEMENT OF CASH FLOW FOR THE PERIOD

(Amounts in ₹.)

From 21.11.2018 to 31.3.2019

[a.] CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation and exceptional items	(11,91,995)
Operating Profit before working capital changes	<u>(11,91,995)</u>
Adjustments for working capital changes:	
(Increase)/ decrease in Short term loans and advances and other current assets	(2,76,52,850)
Increase/ (decrease) in Trade Payables	1,26,975
Increase/ (decrease) in Other Liabilities	2,73,30,900
	<u>(1,94,975)</u>
Net Cash from/ (used in) operating activities (A)	<u>(13,86,970)</u>

[b.] CASH FLOW FROM FINANCING ACTIVITIES

Issue of Equity Shares Subscribed to Memorandum of Association	<u>15,00,000</u>	<u>15,00,000</u>
Net Cash Flow from/ (used in) Financing Activities (B)		15,00,000
Net increase/ ( decrease ) in Cash and Cash equivalents [A+B]		<u>1,13,030</u>

Cash and cash equivalents as at Beginning of the Period

Cash and Bank Balances

Cash and cash equivalents as at March 31, 2019

Cash and Bank Balances

1,13,030

1,13,030

[Notes]


[1] The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2019 and the related Profit and Loss Statement for the period ended on that date.

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

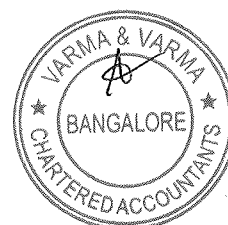
For and on behalf of the Board of Directors of  
Kaynes International Design & Manufacturing Private Limited  
CIN : U74999KA2018PTC118692


As per our report of the even date attached

For VARMA & VARMA  
Chartered Accountants  
Firm Registration No: 0045325

  
Ramesh Kunhikannan  
Director  
[DIN: 02063167]

  
Savitha Ramesh  
Director  
[DIN: 01756684]



  
Aneesan C  
Partner  
M No.: 219131

Place: Mysore  
Date: 16/09/19

Place: Mysore  
Date: 16/09/19

Place: Bangalore  
Date: 16/9/19

## KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED

### 1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2019

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#### Corporate Information:

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

#### Significant Accounting Policies

##### i) Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on accrual basis. IGAAP comprises mandatory accounting standards Companies (Accounting Standards) Rules, 2006 as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act. All assets and liabilities have been classified as current and non current as per the company's normal operating cycle and other criteria set out in the schedule III of Companies act 2013. Based on the nature of services, company has ascertained its normal operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

##### ii) Use of Estimates

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

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

##### iii) Cash Flow Statement

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

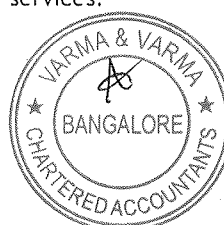
##### iv) Operating Lease

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

##### v) Employee Benefits

###### a. Short term employee benefits:

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



1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2019

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vi) Taxation

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

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

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

vii) Foreign Currency Transactions

Transactions in foreign currency are recognized at the rates of exchange prevailing on the date of respective transactions

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

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

viii) Provisions, Contingent Liabilities and Contingent Assets

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

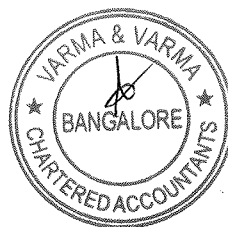
Contingent liabilities are disclosed when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are neither recognised nor disclosed in the accounts.

ix) Earnings' per share

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

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



KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(Amounts in ₹.)

PARTICULARS	2019
<b>2 Share Capital</b>	
Authorised :	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
Issued, Subscribed and Paid up	
1,50,000 Equity Shares of Rs. 10/- each	15,00,000
	<u>15,00,000</u>

a] Reconciliation of the shares outstanding is set out below :

i) Equity Shares outstanding:	No. of shares	Amount (Rs.)
At the beginning of the year	-	-
Shares subscribed to Memorandum of Association	1,50,000	15,00,000
Outstanding at the end of the year	<u>1,50,000</u>	<u>15,00,000</u>

b] Details of shareholders holding more than 5% shares in the company:

Particulars	31.3.2019	
	No. of shares	% of holding
Kaynes Technology India Private Limited	1,49,990	99.99%

c] 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 if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d] i) There are no forfeited shares.

ii) There are no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

iii) The Company has not issued any securities convertible into equity/ preference shares.

**3 Reserves and Surplus**

Surplus/(Deficit) in the profit and loss statement

Profit/(Loss) for the period	(11,91,995)
Net Surplus/(Deficit) as at the end of the period	<u>(11,91,995)</u>

Total	<u>(11,91,995)</u>
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**4 Trade Payables**

Total outstanding dues of micro and small Enterprises (Refer note below)

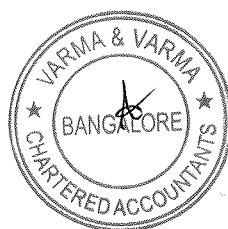
Total outstanding dues of creditors other than micro and small enterprise	-
Other Trade Payables	1,26,975
	<u>1,26,975</u>

Note: As per the information available with the company, there are no dues to micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. Hence, no disclosures are made in this regard.

**5 Other current liabilities**

Others

Advance from customers	2,73,30,900
Total	<u>2,73,30,900</u>



KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED  
 NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(Amounts in ₹.)

PARTICULARS	2019
<b>6 Long-term loans and advances</b>	
Security Deposit	
<i>Unsecured, Considered good</i>	
Rent Deposit	4,80,000
Utility Deposit	11,580
<b>Total</b>	<b>4,91,580</b>
<b>7 Cash and Bank Balances</b>	
Cash and Cash Equivalents	
In current account	1,13,030
<b>Total</b>	<b>1,13,030</b>
<b>8 Short-term loans and advances</b>	
<i>Unsecured, considered good</i>	
Advance paid to Suppliers	2,71,55,469
Balance with statutory/government authorities	5,801
<b>Total</b>	<b>2,71,61,270</b>

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KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(Amounts in ₹.)

PARTICULARS	From 21.11.2018 to 31.03.2019
<b>9 Other Expenses</b>	
Rent	94,500
Auditors Remuneration (Refer note 9.1 below)	75,000
Rates and Taxes (Refer note 9.2 below)	9,94,137
Repairs and Maintenance	23,650
Bank Charges	4,708
	<b>11,91,995</b>

**9.1 Audit Remuneration Includes**

a) For statutory audit 75,000

9.2 Includes pre-incorporation expenses of Rs. 9,83,286/-

**10 Employee Benefits**

Since the company does not have any employees during the year, no employee benefits are accounted during the period.

**11 Operating Lease**

The company has entered into an arrangement for use of premises to conduct business activities which is renewable at the end of 60 months. Expenses for the office space has been included in profit and loss statement amounting to Rs. 94,500/-.

The present value of lease rentals payable are:

Particulars	Amount (₹)
Not later than one year	4,72,500
From 2 to 5 years	25,66,033

The Company has entered into operating lease for lease of property for the period of 5 years. The lease agreements entered into by the company has an escalation clause of 5%. This escalation represents a normal increase in the rate of rent considering the present cost as well as the general inflation. Hence, it would not be appropriate to consider the escalation on a straight line basis. The present accounting of rent based on amounts actually payable would represent the fair cost of rent.

**12 Foreign Currency Exposure**

Foreign currency Exposure not hedged by derivative instruments or otherwise:

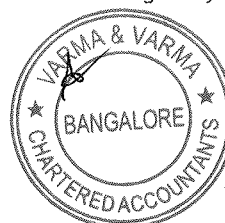
Particulars	Currency	Amount in Foreign Currency	Amount in Indian Rupees
Advance received from customers	EUR	3,49,500	2,73,30,900

**13 Contingent Liabilities not provided for : NIL**

14 In the opinion of the management, none of the assets have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the Financial statements.

**15 Current tax**

No Provision for tax is made in books in view of the losses incurred during the year.



16 Related Party Disclosures

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

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

Ref. Description of relationship	Names of Related parties
[1.] <i>Holding Company</i>	Kaynes Technology India Private Limited
[2.] <i>Key Management Personnel:</i>	
Mr. Ramesh Kunhikannan	Director
Ms. Savitha Ramesh	Director

[B.] Transactions with Related Parties

Transactions / Balances	Holding Company
[i.] <i>Advances paid</i>	
Kaynes Technology India Private Limited	2,71,55,469

[C.] Balances with Related Parties

Transactions / Balances	Holding Company
[i.] <i>Loans and Advances</i>	
Kaynes Technology India Private Limited	2,71,55,469

- 17 The Company has an internal control system which is adequate considering the size and operations of the company. The operations and activities of the company are supervised by the Directors of the Company on a day-to-day basis. They are also involved in the approval and processing of payments. Considering the present size and operations of the company, it has implemented simple information systems consisting of a software customised for the company which are extensively used with very high level of acceptance in the industry. The identification of risks and controls is not a separate evaluation but an integral part of the processes and procedures followed by the company.

The operation of the above controls are constantly monitored by the Directors and these were found to be effectively operating at the year end.

18 Earnings Per Share

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

Particulars	
<i>Basic and Diluted:</i>	
Net Profit/(Loss) after tax as per Profit and Loss Statement (₹.) - (A)	(11,91,995)
Weighted Average Number of Shares outstanding for Basic & Diluted EPS (Nos.) - (B)	1,50,000
Basic earnings per share (₹.) (A) / (B)	(7.95)
Diluted earnings per share (₹.) (A) / (B)	(7.95)
Nominal value per share (₹.)	10

- 19 This being the first year, financials are prepared for the period from the date of incorporation i.e. 21 November 2018 to 31 March 2019 and there are no previous year figures to be furnished.

(Signatures to all notes forming part of Financial Statements)

For and on behalf of the Board of Directors of  
Kaynes International Design & Manufacturing Private Limited  
CIN : U74999KA2018PTC118692

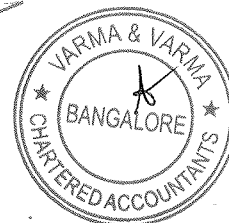
As per our report of the even date attached  
For VARMA & VARMA  
Chartered Accountants  
Firm Registration No: 0045325

Ramesh Kunhikannan  
Director  
[DIN: 02063167]

Place: Mysore  
Date: 16/09/19

Savitha Ramesh  
Director  
[DIN: 01756684]

Place: Mysore  
Date: 16/09/19



Aneesan C  
Partner  
M No.219131

Place: Bangalore  
Date: 16/9/19