

INDEPENDENT AUDITORS' REPORT

To,

The Members,

Kaynes International Design & Manufacturing Private Limited
Mysore

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. Kaynes International Design & Manufacturing Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31st 2020, and Profit and Loss Statement and the cash flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "financial statements").

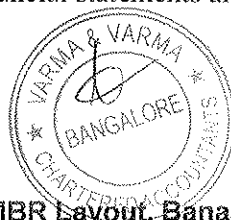
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles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

Basis for Opinion:

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

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

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



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

In connection with our audit of the 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 therein, we are required to report that fact. We have read and considered Board of Directors' report and annexures to the Board's report and have nothing to report in this regard.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

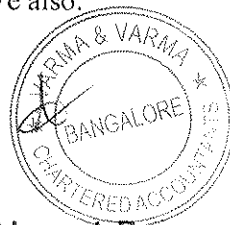
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

Auditor's Responsibility for the Audit of the 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:



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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.
- 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 required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in Paragraphs 3 and 4 of the said Order.
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.



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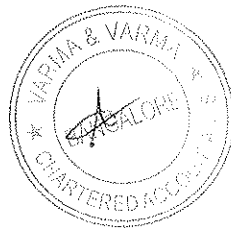
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss statement, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) 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 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) As per the notification of the Ministry of Corporate Affairs G.S.R. 464E 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 last years audited financial statements and the aggregate outstanding borrowings from the banks or financial institutions or anybody corporate at any point of time during the financial year is less than the prescribed threshold 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 does not have any pending litigations which have an impact on its financial position as on 31st March 2020.
- ii. The Company did not have any long-term contracts including derivative contracts from which any foreseeable loss could arise; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For VARMA & VARMA
Chartered Accountants
FRN 004532S


ANEESAN C
Partner

M.No.219131

UDIN: 21219131AAAAAL7464



Place: Bangalore

Date: 15/12/2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

- (i)
- (a) On the basis of our examination of the records, in our opinion, the Company is maintaining proper records showing full particulars, including quantitative details and situation of plant, property and equipment;
- (b) We are informed that the fixed assets of the Company are not physically verified during this year. In our opinion coverage needs to be improved having regard to the size of the Company and the nature of its business.
- (c) There are no immovable properties which are held in the name of the Company. Hence reporting under Clause 3(i)(c) of Order is not applicable to the company.
- (ii)
- (i) We are informed that the inventory of raw materials, finished goods and stores and spares have been physically verified by the management at reasonable intervals, the frequency of which in our opinion is reasonable. No material discrepancies were noticed on such verification. No physical verification could be conducted as at the year end.
- (iii)
- (i) During the year, as informed to us, the Company has not granted any loan secured or unsecured to the parties covered in the register maintained under section 189 of the Companies Act. Hence reporting under clause 3(iii) of the Order is not applicable to the company.
- (iv)
- (i) According to the information and explanations given to us and the records of the Company examined by us the Company has not given any loans, guarantees, investments and securities which falls under the provisions of section 185 and 186 of the Companies Act. Hence reporting under clause 3(iv) of the Order is not applicable to the company.
- (v)
- (i) The Company has not accepted deposits in accordance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company. Hence provisions of clause 3(v) of the order are not applicable to the company.
- (vi)
- (i) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.



(vii)

- (a) According to the information and explanation given to us and as per our verification of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities.

There were no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable except the following:

Name of the statute	Nature of Dues	Amount (Rs.)	Period to which issue relates
Income Tax Act, 1961	Tax Deducted at Source	43,919	F.Y 2019-20

- (b) According to the information and explanations given to us, there are no dues of Income Tax, VAT, Service Tax, Goods and Service Tax or Duties of Customs or Duties of Excise that have not been deposited on account of dispute.
- viii) According to information and explanation given to us and as per our verification of the records of the company, the company has not defaulted in repayment of dues to the bank or financial institutions. There are no over dues as at 31st March, 2020. There are no debentures holders and the Company has not availed any loan from Government.
- (ix) As a private company the question on public offer of shares is not applicable to the Company. According to the information and explanation given to us and as per the verification of the records of the Company, no term loans were obtained or remaining at any point during the year.
- (x) According to the information and explanation given to us and the records of the Company examined by us, no frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a Private Limited Company. Accordingly, the reporting requirement under clause (xi) of paragraph 3 of the Order is not applicable to the company.
- (xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 188 of the Act where applicable since in view of the Company these transactions have been undertaken on arm's length basis in the ordinary course of business and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. As explained, provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.



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Chartered Accountants

- (xiv) According to the information and explanations given to us and based on the audit procedures conducted by us in respect of loans and investments, provisions of Section 42 of the Companies Act, 2013 have been complied with to the extent applicable. As informed to us, the amounts raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

For VARMA & VARMA
Chartered Accountants

FRN 004532S

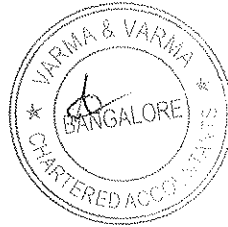


ANEESAN C

Partner

M.No.219131

UDIN:21219131AAAAAL7464



Place: Bangalore

Date: 15/12/2020

KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED
BALANCE SHEET AS AT

Particulars	Note	31.03.2020 (₹)	31.03.2019 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2	15,75,330	15,00,000
Reserves and Surplus	3	62,61,641	(11,91,995)
		<u>78,36,971</u>	<u>3,08,005</u>
Non-Current Liabilities :			
Long term provisions	4	76,146	-
		<u>76,146</u>	<u>-</u>
Current Liabilities :			
Short term Borrowings	5	2,00,00,000	-
Trade payables	6		
- Due to Micro and Small Enterprises		55,80,838	-
- Due to Others		3,39,48,354	1,26,975
Other Current Liabilities	7	1,46,70,385	2,73,30,900
Short term provisions	8	32,57,174	-
		<u>7,74,56,751</u>	<u>2,74,57,875</u>
	Total	<u>8,53,69,868</u>	<u>2,77,65,880</u>
ASSETS			
Non-Current Assets :			
Fixed Assets	9		
Tangible Assets		11,66,217	-
Long Term Loans and Advances	10	6,88,861	4,91,580
Deferred tax Asset (Net)	11	89,564	-
		<u>19,44,642</u>	<u>4,91,580</u>
Current Assets :			
Inventories	12	4,96,55,828	-
Cash & Bank Balances	13	42,42,092	1,13,030
Short term loans and advances	14	2,94,98,807	2,71,61,270
Other current assets	15	28,499	-
		<u>8,34,25,226</u>	<u>2,72,74,300</u>
	Total	<u>8,53,69,868</u>	<u>2,77,65,880</u>
Significant Accounting Policies	1		
Other Notes	23-35		

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


Ramesh Kunhikannan
Director
[DIN: 02063167]

Place: Mysore
Date : 15.12.2020


Sajjan Anandaraman
Director
[DIN: 08713250]

Place: Mysore
Date : 15.12.2020



For VARMA & VARMA
Chartered Accountants
FRN 0045325


Aneesan C
Partner
M No.: 219131

Place : Bangalore
Date : 15.12.2020

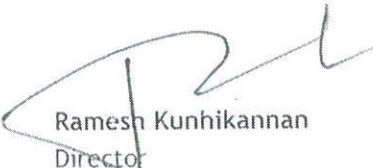
KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED
PROFIT AND LOSS STATEMENT

Particulars	Note	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.3.2019 (₹)
INCOME			
Revenue from operations	16	11,26,64,361	-
Other Income	17	31,666	-
		<u>11,26,96,027</u>	<u>-</u>
EXPENDITURE			
Cost of raw materials and components consumed	18	8,17,76,456	-
Changes in inventories of finished goods	19	(1,81,81,647)	-
Employee Benefits expense	20	28,66,763	-
Finance costs	21	11,03,661	-
Depreciation and Amortisation	9	1,15,017	-
Other Expenses	22	3,45,51,705	11,91,995
		<u>10,22,31,955</u>	<u>11,91,995</u>
Profit / (Loss) Before Tax		1,04,64,072	(11,91,995)
Tax expenses			
Current tax		31,00,000	-
Deferred Tax charge/ (Gain)		(89,564)	-
Profit / (Loss) after tax		<u>74,53,636</u>	<u>(11,91,995)</u>
Earnings Per Equity Share			
-Basic Earnings Per Equity Share		47.96	(7.95)
-Diluted Earnings Per Equity Share		47.96	(7.95)
Significant Accounting Policies	1		
Other notes	23-35		

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]


Sajan Anandaraman
Director
[DIN: 08713250]




Aneesan C
Partner
M No.: 219131

Place: Mysore
Date : 15.12.2020

Place: Mysore
Date : 15.12.2020

Place : Bangalore
Date : 15.12.2020

KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED
STATEMENT OF CASH FLOW

Particulars	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.3.2019 (₹)
[A.] CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and, exceptional items	1,04,64,072	(11,91,995)
Adjustments for :		
Depreciation and Amortisation	1,15,017	-
Interest Income	(31,666)	-
Finance costs	9,49,573	-
Interest on Income tax	1,54,088	-
Unrealised Foreign Exchange (Gain)/Loss	1,81,488	-
Operating Profit before working capital changes	1,18,32,572	(11,91,995)
Adjustments for working capital changes:		
(Increase)/ decrease in Inventories	(4,96,55,828)	-
(Increase)/ decrease Loans and advances	(25,34,818)	(2,76,52,850)
(Increase)/Decrease in Other Current Assets	(28,499)	-
Increase/ (decrease) in Trade Payables	3,92,20,729	1,26,975
Increase/ (decrease) in Other Liabilities	(1,26,60,515)	2,73,30,900
Increase/(decrease) in Provisions	79,232	-
Cash generated from operations	(1,37,47,127)	(13,86,970)
Tax paid	-	-
Net Cash from/ (used in) operating activities	(1,37,47,127)	(13,86,970)
[B.] CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	31,666	-
Purchase of Fixed Assets / CWIP	(12,81,234)	-
Net Cash Flow from/ (used in) Investing Activities (B)	(12,49,568)	-
[C.] CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares subscribed to Memorandum of Association	-	15,00,000
Proceeds from issue of Shares during the year	75,330	-
Proceeds from Borrowings	2,00,00,000	-
Interest paid (repayment)/ receipt	(9,49,573)	-
Net Cash Flow from/ (used in) Financing Activities (C)	1,91,25,757	15,00,000
Net increase/ (decrease) in Cash and Cash equivalents [A+B+C]	41,29,062	1,13,030
Cash and cash equivalents as at April 1, 2019		
Cash and Bank Balances	1,13,030	-
Cash and cash equivalents as at March 31, 2020		
Cash and Bank Balances	42,42,092	1,13,030
	41,29,062	1,13,030

[Notes]

[1] Cash and Bank Balances includes ₹ 5,00,000/- [PY: Nil] of earmarked bank deposits encumbered with bank for providing bank guarantee towards Export Promotion Cell ,Mysore which however is cashable on request.[Refer Note 13]



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


[3] 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.

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

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: 004532S


Ramesh Kunhikannan
Director
[DIN: 02063167]


Sajan Anandaraman
Director
[DIN: 08713250]


Aneesan C
Partner
M No.: 219131

Place: Mysore
Date : 15.12.2020

Place: Mysore
Date : 15.12.2020

Place : Bangalore
Date : 15.12.2020



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

Corporate Information:

Kaynes International Design & Manufacturing Private Limited ("the Company") is a company domiciled in India and incorporated with the 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 as a subsidiary of Kaynes Technology India Private Limited.

It carried on manufacturing activity by outsourcing to the holding company and completing assembly in house.

Significant Accounting Policies

i) **Basis of Accounting**

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.

As a subsidiary of Non SMC Company, this company is also a non SMC Company. Hence these financial statements have been prepared accordingly in compliance with all applicable Accounting Standards.

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) **Revenue Recognition**

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

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

v) **Fixed Assets - Property, Plant and Equipment and Intangible, Capital Work-in-progress**

Property, Plant and Equipment are carried at cost of acquisition or construction including installation charges and subsequent cost of improvement thereto less accumulated depreciation.

Intangible assets are carried at cost less amortization where it is probable that future economic benefits expected from it are not less than the carrying value.

Until the Property, Plant and Equipment are ready for commercial use these costs, are aggregated and classified and carried forward as 'Capital Work In-Progress' or 'Intangible Assets under development/ customisation/ installation'.



1 CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2020

vi) Depreciation

Depreciation on tangible assets is provided over the useful lives of the assets on a Straight Line Method (SLM) at the rates specified in schedule II of the Companies Act, 2013. Depreciation on assets purchased /sold during the year is proportionately charged. Intangible Assets are amortised over a period of 5 years on a straight line basis. The Appropriateness of depreciation/amortisation period and depreciation/amortisation method is reviewed by the management at each financial year end.

vii) 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.

viii) 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.

b. Defined-contribution plans:

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

c. Defined-benefit plans:

The Company's net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

ix) 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.

x) Inventories

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

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

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

xi) Foreign Currency Transactions

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



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

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.

xii) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are disclosed 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.

xiii) Earnings' per share

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

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

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KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED
SIGNIFICANT NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON

PARTICULARS	31.03.2020 (₹)	31.03.2019 (₹)
2 Share Capital		
Authorised : 1,00,00,000 (2019 : 1,00,00,000) Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
Issued, Subscribed and fully Paid up 1,57,533 (2019 : 1,50,000) Equity Shares of ₹ 10/- each	15,75,330	15,00,000
	<u>15,75,330</u>	<u>15,00,000</u>

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

	31.03.2020		31.03.2019	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Equity Shares outstanding: At the beginning of the year	1,50,000	15,00,000	1,50,000	15,00,000
Issued during the year	7,533	75,330	-	-
Outstanding at the end of the year	<u>1,57,533</u>	<u>15,75,330</u>	<u>1,50,000</u>	<u>15,00,000</u>

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

Particulars	31.03.2020		31.03.2019	
	No. of shares	% of holding	No. of shares	% of holding
Kaynes Technology India Private Limited (Holding Company)	1,49,990	95.21%	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.

e. During the last two years ending on 31st March 2020

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

ii) No shares were allotted as fully paid up by way of bonus shares.

iii) No shares were bought back.

3 Reserves and Surplus

Surplus/(Deficit) in the profit and loss statement

Balance as at the beginning of the year	(11,91,995)	-
Profit/(Loss) for the year	74,53,636	(11,91,995)
Net Surplus/(Deficit) as at the end of the year	<u>62,61,641</u>	<u>(11,91,995)</u>
Total	<u>62,61,641</u>	<u>(11,91,995)</u>

4 Long term provisions

	Non-current portion		Current portion	
	31.03.2020 (₹)	31.03.2019 (₹)	31.03.2020 (₹)	31.03.2019 (₹)
Provision for employee benefits				
Gratuity	35,179	-	118	-
Compensated Absences	40,967	-	2,968	-
	<u>76,146</u>	<u>-</u>	<u>3,086</u>	<u>-</u>
Amount disclosed under the head "Short Term Provisions"	-	-	(3,086)	-
Net amount	<u>76,146</u>	<u>-</u>	<u>-</u>	<u>-</u>



5 Short-term borrowings	31.03.2020 (₹)	31.03.2019 (₹)
Loans Repayable on demand :		
- From Banks		
Rupee Packing Credit - Secured	2,00,00,000	-
	2,00,00,000	-

a)Packing credit from State Bank of India is secured against the hypothecation of all stock,Receivables and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) guarantee cover by Government of India. Further this loan have been guaranteed by coporate gurantee of Kaynes Technology India Private Limited (Holding Company) and personal guarantee of two directors of the company.

6 Trade Payables	31.03.2020 (₹)	31.03.2019 (₹)
Total outstanding dues of micro and small enterprises [refer note below]	55,80,837	-
Total outstanding dues of creditors other than micro and small enterprises	3,39,48,354	1,26,975
	3,95,29,191	1,26,975

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

Overdue amount outstanding at the end of the year	42,45,395	-
Principal amount (except overdue amount) outstanding at the end of the year	12,24,974	-
Interest paid after due date during the year.	-	-
Interest amount accrued and remaining unpaid at the end of the year	1,10,468	-

7 Other current liabilities	31.03.2020 (₹)	31.03.2019 (₹)
Trade Payables [Capital Goods]	65,352	-
Dues to employees	4,12,710	-
Statutory dues payables	13,55,562	-
Advance from customers	1,28,36,760	2,73,30,900
Total	1,46,70,385	2,73,30,900

8 Short term provisions	31.03.2020 (₹)	31.03.2019 (₹)
Gratuity	118	-
Compensated Absences	2,968	-
Income Tax	32,54,088	-
	32,57,174	-

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KAYNES INTERNATIONAL DESIGN & MANUFACTURING PRIVATE LIMITED
SIGNIFICANT NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON

9. Tangible assets

(Amounts in ₹)

Particulars	Plant & Equipments	Furniture & Fixtures	Office Equipments	Total
Gross Block at cost				
As at April 1, 2018	-	-	-	-
Additions	-	-	-	-
Disposal	-	-	-	-
As at March 31, 2019	-	-	-	-
Additions	1,25,464	11,34,516	21,254	12,81,234
Disposal	-	-	-	-
As at March 31, 2020	1,25,464	11,34,516	21,254	12,81,234
Accumulated Depreciation				
Up to April 1, 2018	-	-	-	-
Charge for the year	-	-	-	-
On Disposal	-	-	-	-
Up to March 31, 2019	-	-	-	-
Charge for the year	2,240	1,12,700	76	1,15,017
On Disposal	-	-	-	-
Up to March 31, 2020	2,240	1,12,700	76	1,15,017
Balance as at March 31, 2020	1,23,224	10,21,816	21,178	11,66,217
Balance as at March 31, 2019	-	-	-	-



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

10 Long-term loans and advances	31.03.2020 (₹)	31.03.2019 (₹)
Capital Advances - Unsecured, considered good	1,97,281	-
Security Deposit		
Unsecured, Considered good		
Rent Deposit	4,80,000	4,80,000
Utility Deposit	11,580	11,580
	6,88,861	4,91,580
11 Deferred Tax Asset (Net)	31.03.2020 (₹)	31.03.2019 (₹)
Deferred tax liability		
Fixed assets: timing differences on account of depreciation allowance.	8,931	-
Gross deferred tax liability	8,931	-
Deferred tax asset		
Expenses: timing differences on expenses allowable on payment basis.	98,496	-
Gross deferred tax asset	98,496	-
Net deferred tax Asset	89,564	-
12 Inventories	31.03.2020 (₹)	31.03.2019 (₹)
Raw Materials and Components	2,99,64,436	-
Work in progress	1,76,54,615	-
Finished Goods	5,27,032	-
Stores and spares	15,09,745	-
	4,96,55,828	-
* Inventory is valued at cost on FIFO method through the Inventory module of accounting package used and consists of material costs and overheads to the extent applicable and allocated.		
13 Cash and Bank Balances	31.03.2020 (₹)	31.03.2019 (₹)
Cash and Cash Equivalents		
In current account	37,37,345	1,13,030
Cash on hand	4,747	-
Other bank balances	-	-
Other earmarked balances (Refer Note Below)	5,00,000	-
Total	42,42,092	1,13,030
13.1 Other earmarked balances are deposits encumbered with bank for providing bank guarantee towards Export Promotion Cell ,Mysore as mentioned in Note 23(i)		
14 Short-term loans and advances	31.03.2020 (₹)	31.03.2019 (₹)
Unsecured, considered good		
Advance paid to Suppliers	23,90,639	2,71,55,469
Advance paid to Related parties (Refer-Note 28 C)	98,75,658	-
Balance with statutory/government authorities	1,72,32,510	5,801
Total	2,94,98,807	2,71,61,270
15 Other current assets	31.03.2020 (₹)	31.03.2019 (₹)
Interest accrued	28,499	-
	28,499	-



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

	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)
16 Revenue from operations		
Sale of products		
Export Sales	11,26,64,361	-
Revenue from operations	11,26,64,361	-
17 Other Income		
Interest Income		
On Fixed deposits	31,666	-
	31,666	-
18 Cost of raw materials and components consumed		
Inventory at the beginning of the year		
Raw Materials and Components	-	-
Add: Purchases	11,17,40,892	-
	11,17,40,892	-
Less: Inventory at the end of the year		
Raw Materials and Components Consumed	2,99,64,436	-
Cost of raw materials and components consumed	8,17,76,456	-
19 Changes in inventories of finished goods, work-in-progress		
	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)
Closing Stock		
Finished Goods	5,27,032	-
Work-in-progress	1,76,54,615	-
	1,81,81,647	-
Less:		
Opening Stock	-	-
Total	(1,81,81,647)	-
20 Employee Benefits expense		
	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)
Salaries and Wages	23,77,853	-
Contribution to Provident and other funds,	1,94,234	-
Staff welfare expenses	2,94,676	-
Total	28,66,763	-
21 Finance costs		
	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)
Interest		
- On Working Capital	1,60,510	-
- On delayed payment of Advance Income Tax	1,54,088	-
- On Tax deducted at Source	17,017	-
- On delayed payment of dues to suppliers	1,10,468	-
Loan processing Fees	6,61,578	-
Total	11,03,661	-



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

22 Other Expenses	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)
Rent	5,92,752	94,500
Rates and Taxes	1,66,577	9,94,137
Printing and Stationery	2,97,297	-
Insurance	26,000	-
Power and Fuel	1,11,234	-
Labour and Processing Charges	1,22,38,492	-
Stores, Spares and Consumables Consumed	15,99,366	-
Repairs and Maintenance		
- Plant and Machinery	41,093	-
- Building	91,163	-
- Others	31,906	23,650
Security Charges	3,67,784	-
Legal and Professional	20,39,396	-
Auditors Remuneration (See Note No: 22.1 below)	4,20,000	75,000
Commission on Sales	96,23,800	-
Bank Charges	2,66,047	4,708
Outward Freight and Forwarding	64,33,467	-
Loss on Foreign Exchange Fluctuation (Net)	1,81,488	-
Communication	-	-
Travelling and Conveyance	-	-
Advertisement and Business Promotion	-	-
Miscellaneous Expenses	23,843	-
	3,45,51,705	11,91,995

22.1 Auditors Remuneration

	For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)
Statutory Audit Fees	3,00,000	75,000
Tax Audit	1,00,000	-
Others	20,000	-
	4,20,000	75,000



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

23 Contingent Liabilities and Commitments	Particulars	(Amount in ₹.)	
		For the year ended on 31.03.2020 (₹)	From 21.11.2018 to 31.03.2019 (₹)

Contingent Liabilities:

i) Bond Executed for Customs/Central Excise. Covered by Bank guarantee to the extent of Rs.5,00,000/- [PY: Nil]	1,00,00,000	-
	<u>1,00,00,000</u>	-
ii) <u>Commitments:</u> Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	91,460	-

24 Some of the trade Receivables, loans & advances and trade payables are subject to confirmation. Management is of the opinion that discrepancies, if any, that may arise on such reconciliation/confirmation will not have any material impact on the financial statements.

25 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.

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

[a.] Defined Contribution Plans	(Amount in ₹.)	
Particulars	For the year ended on 31.03.2020	From 21.11.2018 to 31.03.2019
Employers' contribution to Provident Fund	1,05,009	-
Employers' contribution to Employee State Insurance	45,178	-

[b.] Defined Benefit Plan

Gratuity -Unfunded obligation

The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit credit method.

Compensated Absences- Unfunded obligation

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

i. Actuarial Assumptions	Compensated Absences		Gratuity	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Discount Rate (per annum)	7.00%	-	7.00%	-
Expected return on plan assets	NA	-	NA	-
Salary escalation rate*	5.00%	-	5.00%	-
Mortality rate	IALM 2012-14	-	IALM 2012-14	-

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

ii. Reconciliation of Obligation	Compensated Absences		Gratuity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Present value of obligation at the beginning of the year	-	-	-	-
Current Service Cost	43,935	-	35,297	-
Past Service cost	-	-	-	-
Interest Cost	-	-	-	-
Actuarial (gain)/ loss	-	-	-	-
Benefits Paid	-	-	-	-
Present value of obligation at the end of the year	43,935	-	35,297	-

iii. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Compensated Absences		Gratuity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Present value of obligation at the end of the year	43,935	-	35,297	-
Fair value of plan assets at the end of the year	-	-	-	-



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

Net present value of unfunded obligation recognized	43,935	-	35,297	-
iv. (Income)/ Expense recognized in the Profit and Loss Statement				
	Compensated Absences		Gratuity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Current Service Cost	43,935	-	35,297	-
Interest Cost	-	-	-	-
Actuarial (gain)/ loss recognized for the period	-	-	-	-
Past Service Cost (if applicable)	-	-	-	-
Expected return on plan assets	-	-	-	-
(Income)/ Expenses recognized in the Profit and Loss Statement	43,935	-	35,297	-

v. History of past obligation etc is not given as it is first year.

27 Segment Reporting

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

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

Sales:

Geographic Segment	For the year ended on 31.03.2020	From 21.11.2018 to 31.03.2019
Outside India	11,26,64,361	-
Total	11,26,64,361	-

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 is given.

28 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>Fellow Subsidiaries</i>	Kaynes Embedded System Private Limited Kemsys Technologies Private Limited Kaynes Technology Europe GmbH
[3.] <i>Entities Contolled by director</i>	Kaynes Interconnection Systems India Private Limited
[4.] <i>Entity where relative of Directors have substantial interest</i>	A ID Systems (India) Private Limited
[5.] <i>Key Management Personnel:</i>	
Mr. Ramesh Kunhikannan	Director
Ms. Savitha Ramesh	Director
Mr. Sajjan Anandaraman (With effect from 02-03-2020)	Director

[B.] Transactions with Related Parties

Transactions / Balances	For the year ended on 31-03-2020	From 21.11.2018 to 31.03.2019
[i.] <i>Purchases</i>		
Kaynes Technology India Private Limited	6,82,24,551	-
[iii.] <i>Paid towards Marketing, Distribution, Administration, Management & Other Support Services</i>		
Kaynes Technology India Private Limited	2,48,83,940	-
[iv] <i>Advances paid</i>	-	2,71,55,469

[C.] Balances with Related Parties

Transactions / Balances	For the year ended on 31-03-2020	From 21.11.2018 to 31.03.2019
[i.] <i>Loans and Advances</i>		
Kaynes Technology India Private Limited	98,75,658	2,71,55,469



29 Operating Lease:

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

Particulars	For the year ended on	
	31.03.2020	From 21.11.2018 to 31.03.2019
Not later than one year	6,21,120	4,72,500
One to five years	17,08,079	25,66,033
Total	23,29,198	30,38,533

30 Foreign exchange exposures not hedged by derivative instruments

Particulars	For the year ended on 31.03.2020		From 21.11.2018 to 31.03.2019	
	FC	Amount (₹)	FC	Amount (₹)
Payables :				
EURO	1,34,584	1,12,91,259	-	-
USD	84,597	64,24,729	-	-
Loans and Advances(Advance from Customer)				
EURO	1,56,188	1,28,36,760	3,49,500	2,73,30,900

31 Earnings Per Share

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

Particulars	For the year ended on	
	31.03.2020	From 21.11.2018 to 31.03.2019
Basic and Diluted:		
Net Profit/Loss After Tax as per Profit and Loss Account (₹) - (A)	74,53,636	(11,91,995)
Weighted Average Number of Shares outstanding for Basic & Diluted EPS (Nos.) - (B)	1,55,428	1,50,000
Basic earnings per share (₹) (A) / (B)	47.96	(7.95)
Diluted earnings per share (₹) (A) / (B)	47.96	(7.95)
Nominal value per share (₹)	10.00	10.00

32 Production, stock and sales

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

Particulars	For the year ended on 31.03.2020		From 21.11.2018 to 31.03.2019	
	Quantity (No's)	Value (₹)	Quantity (No's)	Value (₹)
Integrated Circuits	3,64,688	30,19,275	-	-
Printed Circuit Boards	2,38,568	76,61,194	-	-
Others Components (individually less than 10% of total consumption)	1,19,74,729	7,10,95,987	-	-
Total	1,25,77,985	8,17,76,456	-	-

Particulars	Value (₹)		Percentage (%)	
	For the year ended on 31.03.2020	From 21.11.2018 to 31.03.2019	For the year ended on 31.03.2020	From 21.11.2018 to 31.03.2019
Imported	3,26,60,533	-	40%	0%
Indigenous	4,91,15,923	-	60%	0%
Total	8,17,76,456	-	100%	100%

[B.] Stock of finished goods

Particulars	For the year ended on	
	31.03.2020	From 21.11.2018 to 31.03.2019
Manufactured goods	5,27,032	-
Total	5,27,032	-

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



33 Expenditure & Earnings in Foreign currency
(i) CIF Value of Imports

Particulars	For the year ended on	From 21.11.2018 to
	31.03.2020	31.03.2019
Raw Materials	4,18,24,820	-
Components & Spare parts	21,165	-
	4,18,45,985	-
(ii) Other expenditure in foreign currency	-	-
	For the year ended on	From 21.11.2018 to
	31.03.2020	31.03.2019
(iii) Earnings in Foreign Currency - Export of goods (FOB)	11,26,64,361	-

34 Covid-19 Impact

The outbreak of COVID-19 had resulted in the Government of India undertaking drastic measures for containment of the disease. In view of these measures, the operations at the assembling unit of the company was fully shutdown from March, 23 2020. The company was able to resume limited operations in May, 2020. The company was able to achieve almost normal level of operations from 11th May, 2020 consequent to further permissions and relaxations from the Government Authorities. Consequent to the sudden lockdown, goods kept ready for sale and appropriated to the customer against confirmed order for a value of Rs.1,38,74,154/- could be despatched only subsequently although revenue has been recognised in these financial statements.

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

Although the global spread of COVID-19 has led to an uncertain business environment, your company was able to obtain substantial orders and worked at near normal capacities. Hence all the assets being carried in the Balance Sheet is expected to be fully realised in use.

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


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

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

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

For and on behalf of the Board of directors of
Kaynes 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]


Sajan Anandaraman
Director
[DIN: 08713250]




Aneesan C
Partner
M No.219131

Place: Mysore
Date : 15.12.2020

Place: Mysore
Date : 15.12.2020

Place : Bangalore
Date : 15.12.2020

