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## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Kemsys Technologies Private Limited**

**Report on the Audit of the Ind AS Financial Statements**

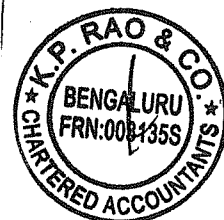
### **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.



### **Branches**

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**Management's and Board of Directors' Responsibility for the Ind AS financial statements**

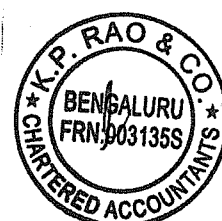
The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position and financial performance, of the Division 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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 that there no key audit matters to be reported for the Financial Year 2022-23.

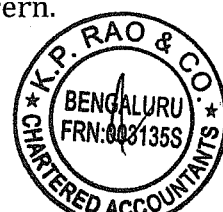


**Auditor's Responsibility for the audit of Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements or, if such disclosure 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 Division to cease to continue as a going concern.



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

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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.

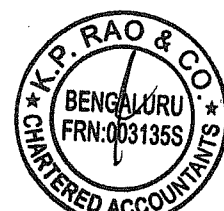
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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:

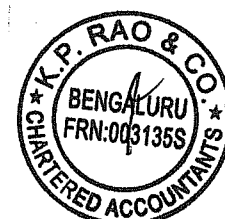
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS 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 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 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) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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 under Section 197(16) of the Act which are required to be commented upon by us.

- 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 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 31 March 2023 on its financial position in its Ind AS financial statements - Refer Note 24 to the Ind AS financial statements.

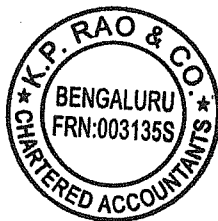


- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- iv.
- a. The Management has represented that, 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 the 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.
- v. 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.



- vi. 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

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



**Mohan R Lavi**  
*Partner*  
Membership No. 029340  
UDIN: 23029340BGWHWV2196

Place: Mysuru  
Date: 16<sup>th</sup> May 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.

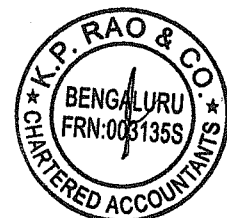
c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.

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 benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

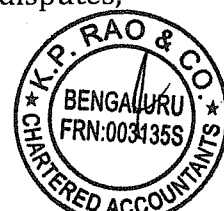
ii.

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate; No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.





- 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 sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets
- 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 made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, hence provisions under Para 3(iii) are not applicable to the company.
- 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. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- 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:



Nature of the statute	Nature of the Dues	Amount (In Millions)	Period	Forum where dispute is pending
The Income tax Act, 1961	TDS	0.7	Various Years	Commissioner of Income Tax (TDS)

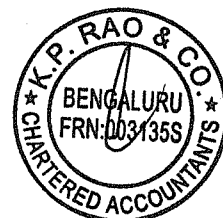
viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961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

ix.

- a. 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 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 Ind AS 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.



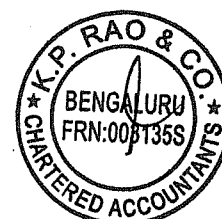
- f. According to the information and explanations given to us and procedures performed by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- x.
- a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3 (x)(b) of the Order 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 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 Ind AS financial statements etc., as required by the applicable accounting standards.



- a. The company has an internal audit system commensurate with the size and nature of its business.
  - b. The company is not required to obtain the internal audit reports of the company and therefore the provisions of Para 3(xiv(b)) of the Companies (Auditors Report), 2020 is not applicable.
- xiv. 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.
- xv.
- 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.
  - c. 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) is not applicable.
  - d. 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) is not applicable.
- xvi. The company has incurred losses in the current and in the immediately preceding financial year.

Particulars	FY 2022-23	FY 2021-22
Net Profit	(13.19)	(23.81)
Depreciation	9.80	7.21
Cash Loss	(3.39)	(16.60)

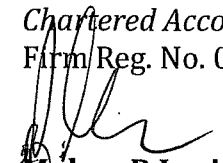
- xvii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.



- xviii. 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 Ind AS 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.
- xix. The Company has not transferred the amount to be spent on CSR to a specific bank account. Hence, provisions of Para 3(xxi) do not apply.

*for K.P.Rao & Co.*

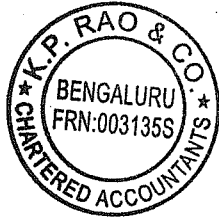
*Chartered Accountants*  
Firm Reg. No. 003135S

  
**Mohan R Lavi**

*Partner*

Membership No. 029340

UDIN: 23029340BGWHWV2196



Place: Mysuru

Date: 16<sup>th</sup> May 2023

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE IND AS 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 Ind AS financial statements of the Company as of 31 March 2023 in conjunction with our audit of the Ind AS financial statements of the Company as at and for the year ended on that date.

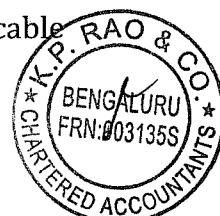
In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial 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.

**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').

**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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- 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 Ind AS financial statements.



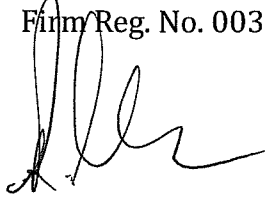
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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*

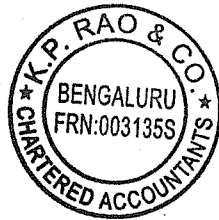
Firm Reg. No. 003135S



**Mohan R Lavi**

*Partner*

Membership No. 029340



UDIN: 23029340BGWHWV2196

Place: Mysuru

Date: 16<sup>th</sup> May 2023

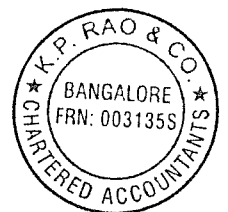


**Kemsys Technologies Private Limited**

CIN No: U72900KA2009PTC101281

**Standalone Balance Sheet***(All amounts are in INR Millions, unless otherwise stated)*

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	2.28	2.85
Intangible assets	3(a)	13.68	18.91
Intangible under development	3(b)	39.09	39.09
Rights-of-Use Assets	3(c)	13.27	16.73
Financial assets			
ii) Loans and deposits	4(a)	1.18	0.95
Other non-current assets	5	2.14	2.18
<b>Total Non-Current Assets (A)</b>		<b>71.64</b>	<b>80.71</b>
<b>CURRENT ASSETS</b>			
Inventories	6	18.73	17.96
Financial asset			
i) Trade receivables	7(a)	51.77	37.37
ii) Cash and cash equivalents	7(b)	3.03	2.20
iii) Bank balances other than cash and cash equivalents	7(c)	21.00	-
iv) Loans and deposits	7(d)	0.05	0.11
v) Other financial assets	7(e)	-	-
Deferred Tax Assets (Net)	8	0.34	0.12
Other current assets	9	3.31	6.02
<b>Total Current Assets (B)</b>		<b>98.23</b>	<b>63.78</b>
<b>TOTAL ASSETS (A + B)</b>		<b>169.87</b>	<b>144.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	10(A)	5.00	5.00
Other Equity	11	(87.11)	(73.59)
<b>Total Equity (A)</b>		<b>(82.11)</b>	<b>(68.59)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
- Lease liabilities	28	10.21	13.03
Long Term Provisions	12	2.03	0.57
<b>Total Non-current Liabilities (B)</b>		<b>12.24</b>	<b>13.60</b>



**Kemsys Technologies Private Limited**

CIN No: U72900KA2009PTC101281

**Standalone Balance Sheet**

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

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>CURRENT LIABILITIES</b>			
Financial Liabilities	13 (a)	176.61	148.11
- Short-term borrowings	13 (b)		
- Trade payables		0.09	1.36
- Total outstanding dues of micro enterprises and small enterprises		9.86	10.75
- Total outstanding dues to other than micro enterprises and small enterprises	13 (c)	38.71	26.76
- Other financial liabilities	28	4.07	3.87
- Lease liabilities	14	10.27	8.37
Other current liabilities	15	0.13	0.26
Short-term provisions		239.74	199.48
<b>Total Current Liabilities (C)</b>		251.98	213.08
<b>Total Liabilities (B+C)</b>		169.87	144.49
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>			

Significant accounting policies and notes to financial statements

1 to 2

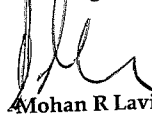
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For K.P. Rao &amp; Co.

Chartered Accountants

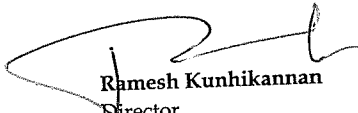
Firm Registration Number 003135S

  
Mohan R Lavi  
Partner

Membership No. 029340

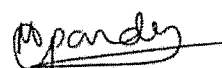
Place: Mysuru

Date: May 15, 2023

For and on behalf of the board of directors of  
**Kemsys Technologies Private Limited**  
Ramesh Kunhikannan  
Director  
(DIN: 02063167)

Place: Mysuru

Date: May 15, 2023

  
Manoj Rajnarain Pandey  
Managing Director  
(DIN: 03642015)

Place: Colorado

Date: May 15, 2023

**Kemsys Technologies Private Limited**  
**CIN No: U72900KA2009PTC101281**  
**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
<b>Income</b>			
Revenue from operations	16	90.46	48.23
Other Income	17	1.90	0.38
<b>Total Income (A)</b>		<b>92.36</b>	<b>48.61</b>
<b>Expenses</b>			
Cost of materials consumed	18	5.88	13.78
Changes in inventories of Finished goods and traded goods	19	-	-
Employee Benefit Expenses	20	50.85	30.66
Finance Cost	21	14.78	10.09
Depreciation and amortization expense	22	9.80	7.21
Other Expenses	23	24.24	10.68
<b>Total Expenses (B)</b>		<b>105.55</b>	<b>72.42</b>
<b>Profit / (Loss) before tax (A-B)=C</b>		<b>(13.19)</b>	<b>(23.81)</b>
<b>Tax Expenses</b>			
Income taxes - Current tax		-	-
- Earlier year tax adjustments		-	-
Deferred tax Charge/ (Credit)		(0.22)	(0.04)
<b>Total tax expense (D)</b>		<b>(0.22)</b>	<b>(0.04)</b>
<b>Profit / (Loss) for the year (C - D)=E</b>		<b>(12.97)</b>	<b>(23.77)</b>
<b>Other comprehensive income (net)</b>			
(i) Other comprehensive income not to be reclassified to profit or			
- Re-measurement gains/ (losses) on defined benefit plans		-	0.41
Income tax effect		-	0.14
<b>Total other comprehensive income for the year, net of tax (F)</b>		<b>-</b>	<b>0.55</b>
<b>Total comprehensive income for the year, net of tax (E+F)</b>		<b>(12.97)</b>	<b>(23.22)</b>
<b>Earnings per share (nominal value of Rs. 10 each)</b>			
Basic*	27	(2.59)	(4.75)
Diluted	32	(2.59)	(4.75)
<b>Significant accounting policies and notes to financial statement</b>	1 to 2		

The accompanying notes are an integral part of the standalone financial statement

As per our report of even date

For K.P. Rao & Co

Chartered Accountants

Firm Registration Number: 0031355

Mohan R Lavi

Partner

Membership No. 029940

For and on behalf of the board of directors of

Kemsys Technologies Private Limited

Ramesh Kunhikannan

Director

(DIN: 02063167)

Manoj Rajnarain Pandey

Managing Director

(DIN: 03642015)

Place: Mysuru

Date: May 15, 2023

Place: Mysuru

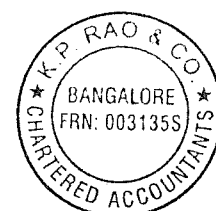
Date: May 15, 2023

Place: Colorado

Date: May 15, 2023

Kemsys Technologies Private Limited  
CIN No: U72900KA2009PTC101281  
Standalone Statement of Cash Flows  
*(All amounts are in INR Millions, except per equity share data)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash Flow from Operating Activities</b>		
Net profit before extraordinary items and tax	(13.19)	(23.81)
Adjustments for :		
Depreciation and Amortisation Expense	9.80	7.21
Fair valuation impact of Security deposit	(0.55)	0.55
Interest expense	14.78	10.09
Interest income	(0.07)	(0.01)
Miscellaneous income (Liabilities written back)	1.68	0.38
Operating profit before working capital changes, extraordinary items	12.45	(5.59)
Adjustments for:		
(Increase)/ Decrease in Inventories	(0.77)	-
(Increase)/Decrease in Trade receivables	(14.40)	(14.46)
(Increase)/Decrease in Loans and Advances and other assets	2.58	0.26
Increase/(Decrease) in Trade payable and other liabilities	7.39	4.35
Increase/(Decrease) in Provisions	1.33	(0.66)
Cash Generated (used in) / From Operations	8.58	(16.10)
Income tax Received / (Paid)	-	-
Net Cash from Operating Activities (A)	8.58	(16.10)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(0.54)	(29.13)
Interest Received	0.07	(0.01)
Proceeds from Sale of investments / fixed deposits matured	(21.00)	-
Net Cash used in Investing activities (B)	(21.47)	(29.14)
<b>C. Net Cash from/(used) in Financing Activities</b>		
Proceeds from short term borrowings	28.50	55.12
Interest expense	(14.78)	(10.09)
Net Cash from/(used) in Financing Activities (C)	13.72	45.03
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	0.83	(0.21)
Cash and cash equivalents as on April 01	2.20	2.41
Cash and cash equivalents as on March 31	3.03	2.20



**Kemsys Technologies Private Limited**  
**CIN No: U72900KA2009PTC101281**  
**Standalone Statement of Cash Flows**  
*(All amounts are in INR Millions, except per equity share data)*

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**Components of cash and cash equivalents**

Balance with scheduled banks on:		
- on Current Account	3.03	2.20
	<u>3.03</u>	<u>2.20</u>

**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**

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The accompanying notes are an integral part of the standalone financial state

**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 15, 2023

For and on behalf of the board of directors of  
**Kemsys Technologies Private Limited**

**Ramesh Kunhikannan**  
Director  
(DIN: 02063167)

Place: Mysuru

Date: May 15, 2023

**Manoj Rajnarain Pandey**  
Managing Director  
(DIN:03642015)

Place: Colorado

Date: May 15, 2023

Kemsys Technologies Private Limited  
CIN No: U72900KA2009PTC101281  
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 01, 2021	50,00,000	5.00
Change during the year	-	-
As at March 31, 2022	50,00,000	5.00
Change during the Year	-	-
As at March 31, 2023	50,00,000	5.00

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)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at April 01, 2022	-	-	(74.14)	-	-	0.55	(73.59)
Profit for the period	-	-	(12.97)	-	-	-	(12.97)
Other Adjustments	-	-	-	-	-	(0.55)	(0.55)
As at March 31, 2023	-	-	(87.11)	-	-	-	(87.11)

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)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at April 01, 2021	-	-	(50.37)	-	-	-	(50.37)
Profit for the period	-	-	(23.77)	-	-	-	(23.77)
Other Adjustments	-	-	-	-	-	0.55	0.55
As at March 31, 2022	-	-	(74.14)	-	-	0.55	(73.59)

The accompanying notes are 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

Mohan R Lavi

Partner

Membership No. 029346

Place: Mysuru

Date: May 15, 2023

For and on behalf of the board of directors of

Kemsys Technologies Private Limited

Ramesh Kunhikannan

Director

(DIN: 02063167)

Place: Mysuru

Date: May 15, 2023

Manoj Rajnarain Pandey

Managing Director

(DIN: 03642015)

Place: Colorado

Date: May 15, 2023

**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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**1 General Information**

Kemsys Technologies Private Limited was incorporated on 20<sup>th</sup> October 2009 with its registered office situated in Chennai and operations in Bengaluru. With effect from 8th February 2017 the registered office has been shifted to Karnataka. The company is in the business of Information technology, Engineering services, solution providers, development and implementation of Software, customized Software development and other related services for the companies engaged in the field of telecom, defense, automotive, embedded technology, product engineering etc.

Company is a wholly owned subsidiary of Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited), Mysore.

**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**

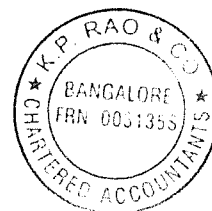
The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (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.



**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

---

**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.

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);

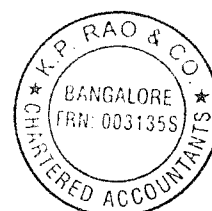
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 experience 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.





**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

---

**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 30 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 24 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 33 – impairment of financial assets;

**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).

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.

**Contract balances**

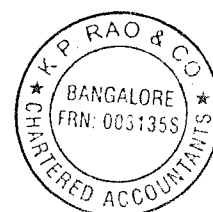
**Contract assets**

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 (o) 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).



Notes to the Standalone Financial Statements

Basis of Preparation and Summary of Significant Accounting Policies

---

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.

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

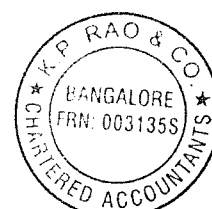
This is a defined benefit plan. The Company provides for Gratuity covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on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



**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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**e) 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).

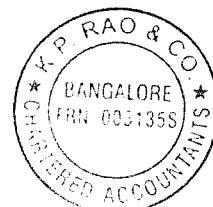
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- 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.



**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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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 obligations that the company 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.

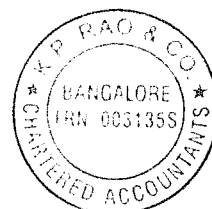
Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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.



Notes to the Standalone Financial Statements  
Basis of Preparation and Summary of Significant Accounting Policies

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**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.

**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 asset is 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.

**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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.

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.

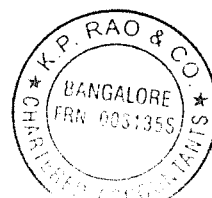
An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the 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	60
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.



**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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**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.

**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**

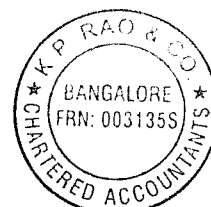
The Company has lease contracts for office spaces. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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.



**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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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 index or 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.

**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.

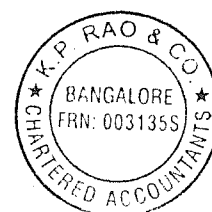
**2.20 Taxes on Income**

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





**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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**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 it 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.

**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 outstanding 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**

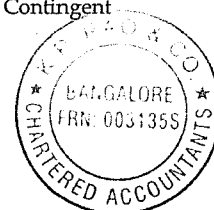
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

Provisions are reviewed at each balance sheet.

**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 outflow 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.



**Notes to the Standalone Financial Statements**  
**Basis of Preparation and Summary of Significant Accounting Policies**

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**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 continually 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 bonus 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 not 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 regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

**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:**

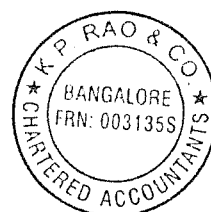
Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

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.



**Kemsys Technologies Private Limited**

CIN No: U72900KA2009PTC101281

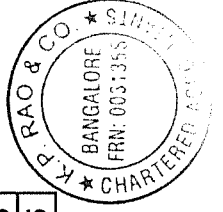
**Notes to the Standalone Financial Statements**

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

**3 Property, plant and equipment**

	Particulars	Tangible Assets					Total
		Plant & Equipment	Furniture & Fittings	Office Equipments	Computers	Leasehold Improvement	
Gross Block	As at April 01, 2021	0.56	0.94	2.11	4.60	2.42	10.63
	Additions during the year	-	0.22	0.11	0.82	0.18	1.33
	Deletions during the year	-	-	-	-	-	-
	As at March 31, 2022	0.56	1.16	2.22	5.42	2.60	11.96
	Additions during the Year	-	0.06	0.07	0.41	-	0.55
2022-23	Deletions during the Year	-	-	-	-	-	-
	As at March 31, 2023	0.56	1.22	2.29	5.83	2.60	12.51

	Particulars	Tangible Assets					Total
		Plant & Equipment	Furniture & Fittings	Office Equipments	Computers	Leasehold Improvement	
Accumulated Depreciation	As at April 1, 2021	0.41	0.60	1.44	3.04	2.35	7.84
	Charge for the year	0.07	0.11	0.20	0.84	0.05	1.27
	Deletions during the year	-	-	-	-	-	-
	As at March 31, 2022	0.48	0.71	1.64	3.88	2.40	9.11
	Charge for the year	0.02	0.06	0.22	0.75	0.06	1.11
2022-23	Deletions during the year	-	-	-	-	-	-
	As at March 31, 2023	0.50	0.77	1.86	4.63	2.46	10.22
Net Block	As at March 31, 2023	0.06	0.45	0.43	1.20	0.14	2.28
	As at March 31, 2022	0.08	0.45	0.58	1.54	0.20	2.85



Kemsys Technologies Private Limited

CIN No: U72900KA2009PTC101281

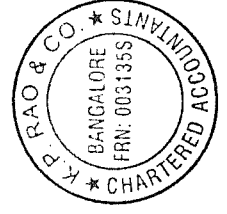
Notes to the Standalone Financial Statements

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

3(a) Intangible Assets

	Particulars	Intangible Assets		Total
		Software	Technical know-how	
Gross Block	As at April 01, 2021	1.46	25.47	26.93
	Additions during the year	-	-	-
	Deletions during the year	-	-	-
	As at March 31, 2022	1.46	25.47	26.93
	Additions during the year	-	-	-
2022-23	Deletions during the year	-	-	-
	As at March 31, 2023	1.46	25.47	26.93

	Particulars	Intangible Assets		Total
		Software	Technical know-how	
Accumulated Depreciation	As at April 01, 2021	0.97	1.69	2.66
	Charge for the year	0.26	5.10	5.36
	Deletions during the year	-	-	-
	As at March 31, 2022	1.23	6.79	8.02
	Charge for the year	0.14	5.09	5.23
2022-23	Deletions during the year	-	-	-
	As at March 31, 2023	1.37	11.88	13.25
Net Block				
	As at March 31, 2023	0.09	13.59	13.68
	As at March 31, 2022	0.23	18.68	18.91



Kemsys Technologies Private Limited

CIN No: U72900KA2009PTC101281

Notes to the Standalone Financial Statements

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

3(b) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at April 01, 2021	-	28.60	28.60
Additions/ Adjustment Capitalized in 2021-22	-	10.49	10.49
As at April 01, 2022	-	-	-
Additions/ Adjustment Capitalized in 2022-23	-	-	-
As at March 31, 2023	-	-	-
As at March 31, 2022	-	39.09	39.09
	-	39.09	39.09

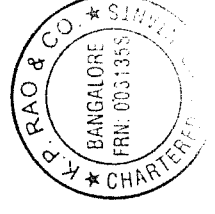
Intangible Assets under Development Ageing Schedule

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	10.49	28.60	-	39.09
Total	-	10.49	28.60	-	39.09

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	10.49	28.60	-	-	39.09
Total	10.49	28.60	-	-	39.09



Kemsys Technologies Private Limited

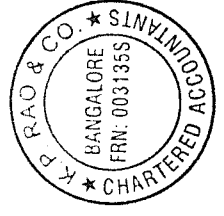
CIN No: U72900KA2009PTC101281

**Notes to the Standalone Financial Statements**

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

**3(c) Right of Use Assets**

Particulars	(INR in millions)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	16.73	-
Additions during the year	-	17.31
Deletions during the year	-	-
Depreciation during the year	(3.46)	(0.58)
<b>Closing Balance</b>	<b>13.27</b>	<b>16.73</b>



4 FINANCIAL ASSET  
NON-CURRENT

4(a) Loans and deposits, carried at amortized cost  
Unsecured considered good (Unless Otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Rental Deposits	1.13	0.95
Utility Deposits	0.05	-
	<b>1.18</b>	<b>0.95</b>

5 OTHER NON-CURRENT ASSETS

Unsecured, considered good

	As at March 31, 2023	As at March 31, 2022
Advance Tax net of Provision	0.86	0.81
MAT Credit Entitlement	0.96	0.96
Prepaid Rent (Ind AS Adjustments)	0.32	0.41
	<b>2.14</b>	<b>2.18</b>

CURRENT ASSETS

6 Inventories (at cost or net realisable value whichever is lower)\*  
Raw materials

	As at March 31, 2023	As at March 31, 2022
	18.73	17.96
	<b>18.73</b>	<b>17.96</b>

7 Current Financial Assets

7(a) Trade receivables

Unsecured, Considered Good(Unless otherwise stated)  
Unbilled Receivables  
Unsecured, Considered Doubtful  
Less - expected credit loss allowance

	As at March 31, 2023	As at March 31, 2022
	40.84	33.68
	10.93	3.69
	-	-
	<b>51.77</b>	<b>37.37</b>



7(a) (i) Trade Receivables Ageing Schedule:

Undisputed Trade receivables – considered good	As at March 31, 2023	As at March 31, 2022
Less than 6 months	19.98	19.17
6 months - 1 year	10.84	7.19
1 -2 years	5.03	2.33
2 -3 years	4.32	4.99
More than 3 years	0.67	-
<b>Total</b>	<b>40.84</b>	<b>33.68</b>

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.

7(b) Cash and cash equivalents

Balance with banks  
- In Current accounts

	As at March 31, 2023	As at March 31, 2022
	3.03	2.20
	<b>3.03</b>	<b>2.20</b>

7(c) Other Bank Balances

Deposits with original maturity for less than 12 months

	21.00	-
	<b>21.00</b>	<b>-</b>

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

Unsecured, Considered Good (Unless otherwise stated)  
Loans to employees  
**Total**

	As at March 31, 2023	As at March 31, 2022
	0.05	0.11
	<b>0.05</b>	<b>0.11</b>

8 DEFERRED TAX ASSETS (NET)

Deferred Tax Liability

Difference Between Depreciation as per books of accounts & Income Tax Act, 1961

Deferred Tax Asset

Impact of expenditure charged to the other comprehensive income in the current year but allowed for tax purposes on payment basis

Security Deposits

Actuarial Gain/Loss

Leases

	(0.29)	(0.63)
	0.73	0.85
	-	-
	(0.12)	(0.14)
	0.02	0.04

9 OTHER CURRENT ASSETS

Unsecured, considered good

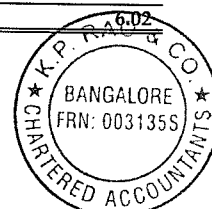
Advances for supply of goods

Prepaid Expenses

Balance with government authorities

Accrued Interest on Fixed Deposit

	As at March 31, 2023	As at March 31, 2022
	0.62	1.38
	0.31	0.37
	2.27	4.27
	0.11	-
	<b>3.31</b>	<b>6.02</b>





10 Share Capital  
10(A) Equity Share Capital  
i) Authorised

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at April 01, 2021	1,00,00,000	10.00
Increase during the year	-	-
Balance as at April 01, 2022	1,00,00,000	10.00
Increase during the year	-	-
Balance as at 31 March, 2023	1,00,00,000	10.00

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital	
	No of Shares	Amount
As at April 01, 2021	50,00,000	5.00
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Balance as at April 01, 2022	50,00,000	5.00
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Balance as at 31 March, 2023	50,00,000	5.00

iii) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Re. 1 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	As at
	March 31, 2023	March 31, 2022
Kaynes Technology India Private Limited (Holding Company)	49,99,990	49,99,990
% of Share holding	99.99%	99.99%

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.

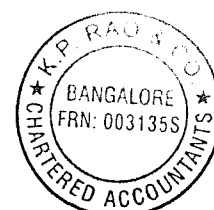
(b) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

(c) No shares were bought back in any of the years.

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

v) Shareholding of Promoters

Promoter Name	As at	As at
	March 31, 2023	March 31, 2022
M/s.Kaynes Technology India Limited [Holding Company]		
- No. of Shares held	49,99,990	49,99,990
- Percentage of holding	99.99%	99.99%
- Changes during the year		



# 11 OTHER EQUITY

Surplus in the profit and loss statement (refer note i)

## i) Surplus in the profit and loss statement

At beginning of the year  
Add: Profit for the year  
Other Adjustments  
As at end of the year

As at March 31, 2023	As at March 31, 2022
(87.11)	(73.59)
(87.11)	(73.59)
As at March 31, 2023	As at March 31, 2022
(73.59)	(50.37)
(12.97)	(23.77)
(0.55)	0.55
(87.11)	(73.59)

# NON-CURRENT LIABILITIES

## 12 LONG TERM PROVISIONS

Provision for Gratuity  
Provision for compensated absences

As at March 31, 2023	As at March 31, 2022
1.07	0.19
0.96	0.38
2.03	0.57

# CURRENT LIABILITIES

## 13 FINANCIAL LIABILITIES

### 13 (a) Current borrowings (At Amortised Cost)

Loans from Related party (Unsecured)  
Total

As at March 31, 2023	As at March 31, 2022
176.61	148.11
176.61	148.11

Loans from Related party (Unsecured)

Short term loan from holding company is repayable on demand carrying interest at 8% p.a

### 13 (b) Trade payables (At Amortised Cost)

Dues to micro enterprises and small enterprises (refer note 46)  
Dues to other than micro enterprises and small enterprises  
Total trade payables

As at March 31, 2023	As at March 31, 2022
0.09	1.36
9.86	10.75
9.95	12.11

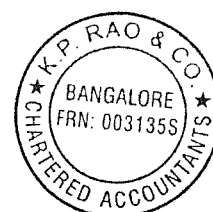
### Ageing Schedule

As at March 31, 2023

Particulars	Outstanding following for periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0.09	-	-	-	0.09
Others	1.05	7.65	0.68	0.49	9.86

As at March 31, 2022

Particulars	Outstanding following for periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.36	-	-	-	1.36
Others	5.63	1.03	3.93	0.16	10.75



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

Employee benefits payable\*

Interest accrued and due on borrowings

\*Refer Related party disclosure for details on dues to employees

As at March 31, 2023	As at March 31, 2022
4.02	4.24
34.69	22.52
<u>38.71</u>	<u>26.76</u>

14 OTHER CURRENT LIABILITIES

Advance from customers

Statutory dues and related liabilities

Other payables

As at March 31, 2023	As at March 31, 2022
6.57	6.57
3.36	1.60
0.34	0.20
<u>10.27</u>	<u>8.37</u>

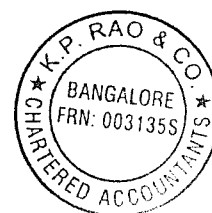
15 SHORT-TERM PROVISIONS

Provision for employee benefits

Provision for Gratuity

Provision for Compensated absence

As at March 31, 2023	As at March 31, 2022
0.02	0.24
0.11	0.02
<u>0.13</u>	<u>0.26</u>



Kemsys Technologies Private Limited

CIN No: U72900KA2009PTC101281

Notes to the Standalone Financial Statements

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

**16 REVENUE FROM OPERATIONS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods	4.66	16.51
Sale of services	85.80	31.72
	<b>90.46</b>	<b>48.23</b>

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

India	20.08	15.48
Outside India	70.38	32.75
	<b>90.46</b>	<b>48.23</b>

**Timing of Revenue Recognition**

Goods transferred at a point in time	4.66	16.51
Service transferred at a point in time	85.80	31.72
	<b>90.46</b>	<b>48.23</b>

**17 OTHER INCOME**

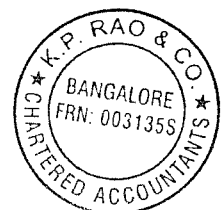
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income :		
Interest on Income Tax refund	0.03	0.01
Interest from Fixed Deposit	0.12	-
Interest on Security Deposit	0.07	0.01
Liabilities no longer required, written back	1.68	0.36
	<b>1.90</b>	<b>0.38</b>

**18 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	17.96	17.96
Add: Purchase	6.65	13.78
Less : Inventory at the end of the year	(18.73)	(17.96)
Cost of materials consumed	<b>5.88</b>	<b>13.78</b>

**19 Changes in inventories of finished goods and traded goods**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Work-in-progress		
Closing stock	-	-
Opening stock	-	-
Total Changes in Inventories	<b>-</b>	<b>-</b>



Kemsys Technologies Private Limited

CIN No: U72900KA2009PTC101281

Notes to the Standalone Financial Statements

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

**20 EMPLOYEE BENEFITS EXPENSES**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and incentive	48.04	27.79
Contribution to provident fund	1.45	1.75
Gratuity contribution scheme (Refer note 36)	0.19	0.17
Staff welfare expenses	1.17	0.95
	<b>50.85</b>	<b>30.66</b>

**21 FINANCE COSTS**

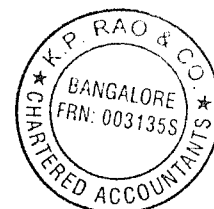
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	13.53	9.35
Interest to Vendors	-	0.40
Interest on others	-	0.11
Interest on lease liabilities (Refer Note 34)	1.25	0.23
	<b>14.78</b>	<b>10.09</b>

**22 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)	9.80	1.27
Amortization of Intangible Assets (Refer Note 3)	-	5.36
Depreciation of Right To Use Assets (Refer Note 28)	-	0.58
	<b>9.80</b>	<b>7.21</b>

**23 OTHER EXPENSES**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	2.66	1.73
Rates and taxes	0.40	0.24
Printing and stationery	-	0.03
Insurance	0.58	0.64
Power and fuel	0.84	0.34
Contract Labour	0.40	0.28
Repairs and maintenance - Others	0.78	0.81
Legal and professional fees	14.51	3.76
Audit Fees	0.20	0.20
Bank charges	0.14	0.09
Communication expenses	0.19	0.13
Travelling and conveyance	1.31	0.63
Business Promotion	0.19	0.04
Freight and forwarding charges	(0.09)	0.23
Exchange Differences (Loss)	0.51	0.39
Software Expense	1.22	0.89
Miscellaneous expenses	0.40	0.25
	<b>24.24</b>	<b>10.68</b>



**Kemsys Technologies Private Limited**

**CIN No: U72900KA2009PTC101281**

**Notes to the Standalone Financial Statements**

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

**Payment to Auditors (After Other expenses)**

**As statutory auditors**

Audit fees

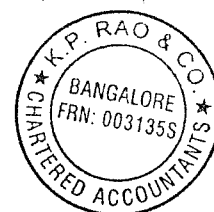
Tax audit fee

**In other capacity**

Other services (includes certification fees)

Reimbursement of expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
	0.20	0.20
	-	-
	-	-
	-	-
	0.20	0.20



**Kemsys Technologies Private Limited**

CIN No: U72900KA2009PTC101281

**Notes to the Standalone Financial Statements**

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

**24 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 - CPC demand (refer note 24.1) | 0.70 | 0.70 |

**Commitments:**

- |     |  |   |   |
|-----|--|---|---|
| (i) | Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances. | - | - |
|-----|--|---|---|

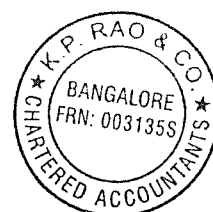
- 1 Commissioner of Income tax, Bangalore has issued a notice on Short deduction of TDS for various years commencing from FY 2012-13 to 2021-22 and imposed a Interest and penalty .

**25 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.]	<b>Holding Company:</b>	Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
[2.]	<b>Fellow Subsidiary Companies:</b>	Kaynes Embedded Systems Private Limited Kaynes International Design & Manufacturing India Private Limited Kaynes Technology Europe GmbH Kaynes Electronics Manufacturing Private Limited
[3.]	<b>Entity Controlled by Directors:</b>	Kaynes Interconnection Systems India Private Limited Kaynes Technology Inc. Kemsys Technologies Inc. Kaynes Circuits Private Limited Mysore ESDM Cluster Cheyyur Real Estates Private Limited Cheyyur Properties Private Limited Nambi Reality Private Limited
[4.]	<b>Entity where relative of Directors have substantial interest</b>	A ID Systems (India) Private Limited
[5.]	<b>Key Management Personnel:</b>	
	Mr. Ramesh Kunhikannan	Director
	Ms. Savitha Ramesh	Director
	Mr. Manoj Rajnarain Pandey	Managing Director (w.e.f 24.04.2020)
	Ms. Premita Ramesh	Director
[6.]	<b>Relatives of KMP's:</b>	Mr. Govind Shasiprasad Menokee



**Kemsys Technologies Private Limited**

CIN No: U72900KA2009PTC101281

**Notes to the Standalone Financial Statements**

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

**[B.] Transactions with KMPs**

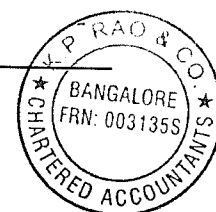
Transactions / Balances	As at March 31, 2023	As at March 31, 2022
<i>[i.] Remuneration and Commission:</i>		
Mr. Manoj Rajnarain Pandey	4.40	-
<i>[ii] Reimbursement of expenses</i>		
Mr. Manoj Rajnarain Pandey	0.07	0.15

**[C.] Transactions with Related Parties**

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
<i>Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)</i>			
	Purchase of Material	-	8.89
	Services Received	0.11	-
	Sale of material	0.30	4.71
	Sale of Services	0.61	-
	Loans & Advances Taken	30.50	55.38
	Loans & Advances Repaid	2.00	2.18
	Interest on Loan	13.53	9.35
<i>Kemsys Technologies Inc.</i>			
	Services provided	1.37	2.98
	Services received	6.76	-
<i>Kaynes Interconnection Systems India Private Limited</i>			
	Services Received	-	-

**[D.] Balances with Related Parties**

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
<i>Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)</i>			
	Loans & Advances Repayable	180.96	146.19
	Interest Payable	34.69	22.52
	Trade Receivable	-	-
	Trade Payables	4.35	7.35
<i>Kaynes Interconnection Systems India Private Limited</i>			
	Trade Payables	0.17	0.17
<i>Kemsys Technologies Inc.</i>			
	Trade Receivable	1.37	2.98
	Trade Payable	-	-





Kemsys Technologies Private Limited

CIN No: U72900KA2009PTC101281

Notes to the Standalone Financial Statements

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

## 26 Segment information

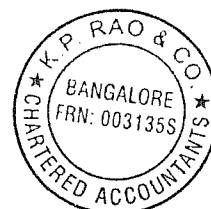
Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified Europe and 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	As at March 31, 2023	For the year ended March 31, 2022
Outside India	70.38	32.75
In India	20.08	15.48
	<b>90.46</b>	<b>48.23</b>

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



**Kemsys Technologies Private Limited**  
**CIN No: U72900KA2009PTC101281**  
**Standalone Statement of Profit and Loss**

(All amounts are in INR Millions, except per equity share data)

**27 Earnings per share (EPS)**

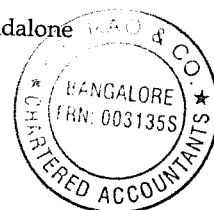
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earnings</b>		
Profit after tax for the year	(12.97)	(23.77)
Less: Profit attributable to the minority shareholders	-	-
<b>Profit after tax for the year attributable to equity shareholders</b>	<b>(12.97)</b>	<b>(23.77)</b>
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
<b>Basic :</b>		
Number of Shares outstanding at the beginning of the year	50,00,000	50,00,000
Add : Shares Issued during the year/period	-	-
<b>Number of Shares outstanding at the end of the year</b>	<b>50,00,000</b>	<b>50,00,000</b>
Add : Post Bonus issue #	-	-
<b>Number of Shares outstanding at the end of the year (Post bonus issue #)</b>	<b>50,00,000</b>	<b>50,00,000</b>
Weighted average number of equity shares For calculating Basic EPS	50,00,000	50,00,000
Profit after tax for the year attributable to equity shareholders	(12.97)	(23.77)
<b>Basic EPS ( Rs. per share)</b>	<b>(2.59)</b>	<b>(4.75)</b>
EPS after preference dividend ( Rs. per share)	-	-
<b>Diluted :</b>		
Number of shares considered as basic weighted average shares outstanding	50,00,000	50,00,000
Add: Effect of diluted equity shares relating to CCPS issued during the year	-	-
Number of shares considered as diluted weighted average shares outstanding	50,00,000	50,00,000
No. of equity shares on conversion of preference shares	-	-
Total shares outstanding including dilution	50,00,000	50,00,000
<b>Diluted EPS (Rs. per share)</b>	<b>(2.59)</b>	<b>(4.75)</b>
<b>Earnings per equity share (Face Value INR 10/- per share)</b>		
- Basic	(2.59)	(4.75)
- Diluted	(2.59)	(4.75)

**28 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	16.73	-
Additions	-	17.31
Deletions	-	-
Depreciation*	(3.46)	(0.58)
<b>Balance as at end of the year</b>	<b>13.27</b>	<b>16.73</b>

\*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	17.69	-
Additions	-	17.31
Deletions	-	-
Payment of lease liabilities	(0.09)	0.42
Accreditation of interest	(0.08)	(0.04)
<b>Balance as at end of the year</b>	<b>17.52</b>	<b>17.69</b>
Current Liabilities	4.07	3.87
Non-Current Liabilities	10.21	13.03
<b>Total cash outflow for leases</b>	<b>0.09</b>	<b>(0.42)</b>

Contractual maturities of lease liabilities on undiscounted basis

	As at March 31, 2023	As at March 31, 2022
Less than one year	3.55	3.66
One to five years	9.46	13.01
More than five years	-	-
	<b>13.01</b>	<b>16.67</b>

## 29 Taxes

### (a) Income tax expense:

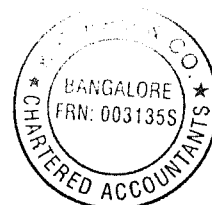
Components of Income Tax Expense

#### (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	-	-
B. Deferred tax (credit)/charge	(0.22)	(0.04)
<b>Net deferred tax</b>	<b>(0.22)</b>	<b>(0.04)</b>
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	<b>(0.22)</b>	<b>(0.04)</b>

#### 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	-	0.14
Remeasurement of Defined Benefiy Obligation	-	-
<b>Total</b>	<b>-</b>	<b>0.14</b>



### 30 Employee benefit plans

#### [a.] Defined Contribution Plans

Particulars	As at March 31, 2023	As at March 31, 2022
Employers' contribution to Provident Fund	1.44	1.70
Employers' contribution to Employee State Insurance	0.01	0.05

#### [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.

##### Compensated Absences- Unfunded obligation

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

#### Gratuity - unfunded obligation

##### i. Actuarial Assumptions

	As at March 31, 2023	As at March 31, 2022
Discount Rate (per annum)	7.45%	6.95%
Expected return on plan assets	NA	NA
Salary escalation rate*	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

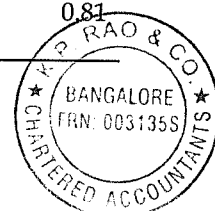
\*The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority,

##### ii. Reconciliation of Obligation

	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year	0.81	1.18
Current Service Cost	0.80	0.20
Interest Cost	0.07	0.07
Actuarial (gain)/ loss	(0.32)	(0.56)
Benefits Paid	(0.26)	(0.08)
Present value of obligation at the end of the year	1.10	0.81

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

	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end of the year	1.10	0.81
Fair value of plan assets at the end of the year	-	-
Net (asset)/ liability recognised in Standalone statement of assets and liabilities	1.10	0.81



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**Notes to the Standalone Financial Statements**

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

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

	As at March 31, 2023	As at March 31, 2022
Current Service Cost	0.80	0.20
Interest Cost	0.07	0.07
Expected return on plan assets	-	-
(Income)/ Expenses recognized in Standalone statement of profit and loss	0.86	0.27

**v) Sensitivity analysis of the defined benefit obligation:**

	As at March 31, 2023	As at March 31, 2022
<b>Impact of the change in Discount Rate</b>		
Present Value of Obligation at the end of the period	1.10	0.81
Impact due to increase of 0.5%	1.05	0.76
Impact due to decrease of 0.5%	1.15	0.84
<b>Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	1.10	0.81
Impact due to increase of 0.5%	1.14	0.83
Impact due to decrease of 0.5%	1.06	0.79
<b>Impact of the change in Withdrawal Rate</b>		
Present Value of Obligation at the end of the period	1.10	0.81
Impact due to increase of 0.5%	1.08	0.81
Impact due to decrease of 0.5%	1.11	0.81

Sensitivities due to mortality is insignificant & hence ignored.

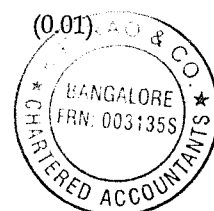
**vi) Maturity profile of defined benefit obligation:**

	As at March 31, 2023	As at March 31, 2022
Year 1	0.02	0.04
Year 2	0.02	0.06
Year 3	0.08	0.06
Year 4	0.12	0.06
Year 5	0.13	0.06
Years 6 to 10	0.61	0.26

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

**vii) Other comprehensive (income) / expenses (Remeasurement)**

	As at March 31, 2023	As at March 31, 2022
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(0.01)	0.07
Actuarial (gain)/loss - obligation	(0.26)	(0.08)
Actuarial (gain)/loss - plan assets		
Total Actuarial (gain)/loss		
Cumulative total actuarial (gain)/loss. C/F	(0.27)	(0.01)



**Compensated Absences- Unfunded obligation**

**i. Actuarial Assumptions**

	As at March 31, 2023	As at March 31, 2022
Discount Rate (per annum)	7.45%	6.95%
Expected return on plan assets	NA	NA
Salary escalation rate*	8.00%	8.00%

**ii. Reconciliation of Obligation**

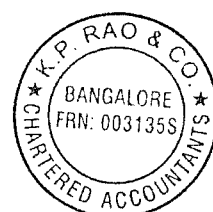
	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year	0.40	0.31
Current Service Cost	0.87	0.42
Past Service cost	-	0.31
Interest Cost	0.07	0.02
Actuarial (gain)/ loss	0.15	0.06
Benefits Paid	(0.41)	(0.72)
Present value of obligation at the end of the year	1.07	0.40

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

	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end of the year	1.07	0.40
Fair value of plan assets at the end of the year	-	-
Net (asset)/ liability recognised in Standalone statement of assets and liabilities	1.07	0.40

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

	As at March 31, 2023	As at March 31, 2022
Current Service Cost	0.87	0.42
Past service cost and loss/ (gain) on curtailments and settlement	-	0.31
Interest Cost	0.07	0.02
Actuarial (gain)/ loss recognized for the period	0.15	0.06
Expected return on plan assets	-	-
(Income)/ Expenses recognized in Standalone statement of profit and loss	1.08	0.81



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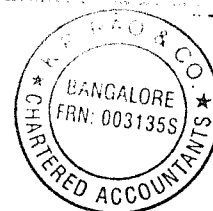
**v) Sensitivity analysis of the defined benefit obligation:**

	As at March 31, 2023	As at March 31, 2022
<b>Impact of the change in Discount Rate</b>		
Present Value of Obligation at the end of the period	1.07	0.40
Impact due to increase of 0.5%	1.03	0.38
Impact due to decrease of 0.5%	1.11	0.41
<b>Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	1.07	0.40
Impact due to increase of 0.5%	1.11	0.41
Impact due to decrease of 0.5%	1.02	0.38
<b>Impact of the change in Withdrawal Rate</b>		
Present Value of Obligation at the end of the period	1.07	0.40
Impact due to increase of 0.5%	1.06	0.39
Impact due to decrease of 0.5%	1.07	0.40

Sensitivities due to mortality is insignificant & hence ignored.

**vi) Maturity profile of defined benefit obligation:**

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	0.11	0.03
Year 2	0.10	0.03
Year 3	0.10	0.03
Year 4	0.10	0.03
Year 5	0.10	0.03
Years 6 to 10	0.10	0.03
	0.44	0.14



### 31 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.

#### 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 transactions 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.





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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.

**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**

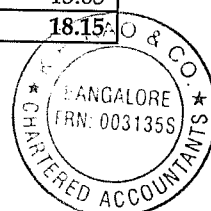
Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. the company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. the company closely 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
Interest bearing borrowings	176.61	-
Trade Payables	1.14	8.81
Other financial liabilities	38.71	-
Lease liabilities	4.07	10.21
<b>Total</b>	<b>220.53</b>	<b>19.02</b>

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
Interest bearing borrowings	148.11	-
Trade Payables	6.99	5.12
Other financial liabilities	26.76	-
Lease liabilities	3.87	13.03
<b>Total</b>	<b>185.73</b>	<b>18.15</b>



Kemsys Technologies Private Limited

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Notes to the Standalone Financial Statements

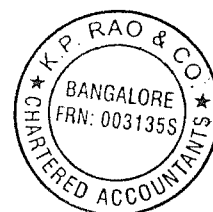
(All amounts are in INR Millions, unless otherwise stated)

## 32 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	176.61	148.11
Less: Cash and Cash equivalents	3.03	2.20
Net debt	179.64	150.31
Equity	(82.11)	(68.59)
Total capital	(82.11)	(68.59)
Gearing ratio	(2.19)	



Kemsys Technologies Private Limited

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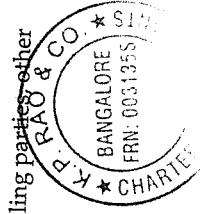
(All amounts are in INR Millions, unless otherwise stated)

33 Financial instruments: Fair values

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI
<b>Financial assets</b>						
At amortised cost:						
a) Trade receivables	-	-	51.77	51.77	-	51.77
b) Cash and cash equivalents	-	-	3.03	3.03	-	3.03
c) Bank balances other than cash and cash equivalents	-	-	-	-	-	21.00
d) Loans and deposits	-	-	1.23	1.23	-	1.23
e) Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>	-	-	56.03	56.03	-	77.03
<b>Financial liabilities</b>						
At amortised cost:						
a) Borrowings (Long term)	-	-	-	-	-	-
b) Borrowings (Short term)	-	-	176.61	176.61	-	176.61
c) Trade payables	-	-	9.95	9.95	-	9.95
d) Other Financial Liabilities	-	-	38.71	38.71	-	38.71
e) Lease Liabilities	-	-	14.28	14.28	-	16.90
<b>Total Financial Liabilities</b>	-	-	239.55	239.55	-	242.17

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.



**34 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	98.23	63.78
Current Liabilities	239.74	199.48
<b>Ratio</b>	<b>0.41</b>	<b>0.32</b>
% Change from previous year	28.15	

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

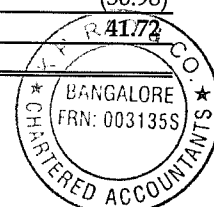
	As at March 31, 2023	As at March 31, 2022
Total Debt	176.61	148.11
Total Equity	(82.11)	(68.59)
Less: Non free reserves	-	-
<b>Equity attributable to the owners of the company</b>	<b>(82.11)</b>	<b>(68.59)</b>
<b>Ratio</b>	<b>(2.15)</b>	<b>(2.16)</b>
% Change from previous year	(0.39)	

**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	(13.19)	(23.81)
Less : Preference Dividend	-	-
Add: Depreciation	9.80	7.21
Add: Finance Cost	14.78	10.09
<b>Adjusted Profit</b>	<b>11.39</b>	<b>(6.51)</b>
Interest cost on borrowings	13.53	9.35
Principal repayments	-	-
<b>Total of Interest and Principal repayments</b>	<b>13.53</b>	<b>9.35</b>
<b>DSCR</b>	<b>0.84</b>	<b>(0.70)</b>
% Change from previous year	(220.91)	

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

	As at March 31, 2023	As at March 31, 2022
Profit after tax	(12.97)	(23.77)
Less : Share of Profit / (Loss) of minority interest	-	-
<b>Standalone Net Profit after tax, for the year/period attributable to equity shareholders</b>	<b>(12.97)</b>	<b>(23.77)</b>
Total Equity	(82.11)	(68.59)
Less: Non free reserves	-	-
<b>Equity attributable to the owners of the company</b>	<b>(82.11)</b>	<b>(68.59)</b>
Average Shareholder's equity *	(75.35)	(56.98)
<b>Ratio</b>	<b>17.21</b>	<b>41.72</b>
% Change from previous year	(58.74)	



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

Revenue from Operations  
Average Trade Receivables \*  
Ratio  
% Change from previous year  
Reason for change more than 25%-

As at March 31, 2023	As at March 31, 2022
90.46	48.23
44.57	30.14
2.03	1.60
26.84	

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

Credit Purchases  
Average Trade payables \*  
Ratio  
% Change from previous year

As at March 31, 2023	As at March 31, 2022
6.65	13.78
11.03	78.28
0.60	0.18
242.49	

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

Revenue from Operations  
Average Inventory \*  
Ratio  
% Change from previous year

As at March 31, 2023	As at March 31, 2022
90.46	48.23
18.35	17.96
4.93	2.69
83.62	

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

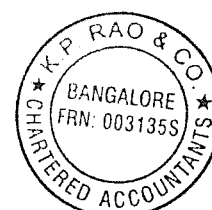
Revenue from Operations  
Average working capital  
Ratio  
% Change from previous year

As at March 31, 2023	As at March 31, 2022
90.46	48.23
(138.61)	(119.61)
(0.65)	(0.40)
61.85	

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

Profit after tax  
Revenue from Operations  
Ratio  
% Change from previous year

As at March 31, 2023	As at March 31, 2022
(12.97)	(23.77)
90.46	48.23
(14.34)	(49.28)
(70.91)	



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

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

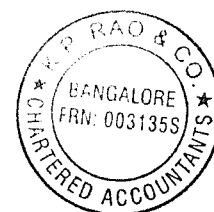
Profit before tax  
Add: Finance Costs  
**EBIT**

Tangible Net worth  
Non Current Borrowings  
Short Term Borrowings  
**Total**

**ROCE**

% Change from previous year

	As at March 31, 2023	As at March 31, 2022
	(13.19)	(23.81)
	14.78	10.09
	<b>1.59</b>	<b>(13.72)</b>
	(162.43)	(160.22)
	-	-
	176.61	148.11
	<b>14.18</b>	<b>(12.11)</b>
	<b>11.21</b>	<b>113.29</b>
	<b>(90.10)</b>	



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

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

The company does not have any loans and investments included in loans, the particulars of which are to be disclosed as per under Section 186 (4) of the Companies Act, 2013.

**36 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:

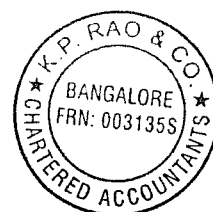
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(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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37 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		
Interest due on above	0.09	1.36
Interest paid during the period beyond the appointed day	-	0.91
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 13(b)'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the company and has been relied upon by the auditors.

38 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. 029348

Place: Bengaluru

Date: May 15, 2023

For and on behalf of the board of directors of

Keynes International Design & Manufacturing Private Limited

Ramesh Kunhikannan

Director

(DIN: 02063167)

Place: Mysuru

Date: May 15, 2023

Manoj Rajnarain Pandey

Managing Director

(DIN: 03642015)

Place: Colorado

Date: May 15, 2023