

Kanhatech Solutions Limited

**Financial Statements
2020-21**

INDEPENDENT AUDITOR'S REPORT

To the Members of Kanhatech Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kanhatech Solutions Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the 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 significant accounting policies and other explanatory information (hereinafter referred to as “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit including other comprehensive income, the statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report in the annual report for the year ended March 31, 2021, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control 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 company has adequate internal financial with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (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.
2. As required by Section 143(3) of the Act, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any remuneration to its directors during the year.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position in its financial statements.

- ii. The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.

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

For D T S & Associates LLP
Chartered Accountants
(Registration No. 142412W/W100595)

Anuj Bhatia
Partner
Membership No.: 122179
UDIN No: 21122179AAAAAY1949

Place: Mumbai
Date: April 23, 2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Kanhatech Solutions Limited on the financial statements for the year ended 31st March, 2021)

- i. The Company does not have any fixed assets and accordingly, the provisions of Clause (i) of paragraph 3 of the Order are not applicable to the Company.
- ii. The Company does not have any inventories and accordingly, the provisions of Clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- iii. There are no loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan and it has not made any investments or given any guarantee or security on which the provisions of Section 185 and 186 of the Act apply. Accordingly, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act in respect of activities carried on by the Company and accordingly, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding

as at 31st March, 2021 for a period of more than six months from the date of becoming payable.

- b. There were no dues of Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, as applicable, which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has no dues to financial institution, bank, government and Debenture holders.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loan.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration to its directors.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For D T S & Associates LLP
Chartered Accountants
(Registration No. 142412W/W100595)

Anuj Bhatia
Partner
Membership No.: 122179
UDIN No: 21122179AAAAAY1949

Place: Mumbai
Date: April 23, 2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Kanhatech Solutions Limited on the financial statements for the year ended 31st March, 2021)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Kanhatech Solutions Limited (“the Company”) as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021 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.

For **D T S & Associates LLP**
Chartered Accountants
(Registration No. 142412W/W100595)

Anuj Bhatia
Partner
Membership No.: 122179
UDIN No: 21122179AAAAAY1949

Place: Mumbai
Date: April 23, 2021

Kanhatech Solutions Limited
Balance Sheet as at 31st March, 2021

	Note	As at 31st March, 2021	As at 31st March, 2020	(₹ in Lakh)
ASSETS				
Non-Current Assets				
Financial Assets				
Other Financial Assets	1	0.10	0.10	
Other Non-Current Asset	2	<u>51.61</u>	<u>98.50</u>	
Total Non-Current Assets		51.71	98.60	
Current Assets				
Financial Assets				
Investments	3	83 88.42	75 62.74	
Trade Receivables	4	10 24.89	4 81.00	
Cash and Cash Equivalents	5	29.74	1 52.48	
Other Current Assets	6	<u>30.32</u>	<u>23.73</u>	
Total Current Assets		94 73.37	82 19.95	
Total Assets		<u>95 25.08</u>	<u>83 18.55</u>	
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	7	75 00.00	75 00.00	
Other Equity	8	<u>9 40.95</u>	<u>5 68.88</u>	
Total Equity		84 40.95	80 68.88	
LIABILITIES				
Non-Current Liabilities				
Provisions	9	<u>-</u>	<u>10.77</u>	
Total Non-Current Liabilities		-	10.77	
Current Liabilities				
Financial Liabilities				
Trade Payables	10			
Micro and small enterprise		-	-	
Other than micro and small enterprise		10 63.03	-	
Other Financial Liabilities	11	16.08	113.56	
Other Current Liabilities	12	5.02	113.54	
Provisions	13	<u>-</u>	<u>11.80</u>	
Total Current Liabilities		10 84.13	238.90	
Total Equity and Liabilities		<u>95 25.08</u>	<u>83 18.55</u>	

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 28

Kanhatech Solutions Limited

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Regn No: 142412W/W100595

Anuj Bhatia
Partner
Membership No: 122179

Date: April 23, 2021

For and on behalf of the Board

K Sridhar
Director
(DIN: 00012765)

Sajita Nair
Director
(DIN: 09082420)

Abhishek Juvekar
Company Secretary

Preeti Wadhvani
Chief Financial Officer
(PAN: ABGPW2426H)

Kanhatech Solutions Limited
Profit and Loss Statement for the year ended 31st March, 2021

	Note	2020-21	2019-20
(₹ in Lakh)			
INCOME			
Revenue from Operations	14	8 00.09	5 75.00
Other Income	15	6 22.32	5 65.09
Total Revenue		14 22.41	11 40.09
EXPENSES			
Purchases of Stock-in-Trade		7 99.30	-
Employee Benefits Expense	16	74.68	4 53.57
Other Expenses	17	72.41	96.45
Total Expenses		9 46.39	5 50.02
Profit Before Tax		4 76.02	5 90.07
Tax Expenses:	2.1		
Current Tax		1 06.13	-
Deferred Tax		-	-
		1 06.13	-
Profit After Tax		3 69.89	5 90.07
Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss		2.18	(2.20)
ii) Income tax relating to items that will not be reclassified			-
iii) Items that will be reclassified to profit or loss		-	-
iv) Income tax relating to items that will be reclassified to profit or loss			-
Total Comprehensive Income for the year		3 72.07	5 87.87
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (In ₹)	20	0.49	0.79

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 28

Kanhatech Solutions Limited

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Regn No: 142412W/W100595

Anuj Bhatia
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Company Secretary

Preeti Wadhvani
Chief Financial Officer
(PAN: ABGPW2426H)

Kanhatech Solutions Limited
Statement of Changes in Equity for the year ended 31st March, 2021

(₹ in Lakh)					
A. Equity Share Capital	Balance as at 1st April, 2019	Changes in Equity FY 2019-20	Balance as at 31st March 2020	Changes in Equity during FY 2020-21	Balance as at 31st March 2021
	75 00.00	-	75 00.00	-	75 00.00
(₹ in Lakh)					
B. Other Equity	Balance as at 1st April, 2019	Total Comprehensive Income	Balance as at 31st March, 2020		
Particulars					
As on 31st March, 2020					
Retained Earnings	(19.01)	5 90.07	5 71.06		
Other Comprehensive Income					
- Remeasurement of Defined Benefit Plan	0.02	(2.20)	(2.18)		
Total	(18.99)	5 87.87	5 68.88		
Particulars					
	Balance as at 1st April, 2020	Total Comprehensive Income	Balance as at 31st March 2021		
As at 31st March, 2021					
Retained Earnings	5 71.06	3 69.89	9 40.95		
Other Comprehensive Income					
- Remeasurement of Defined Benefit Plan	(2.18)	2.18	-		
Total	5 68.88	3 72.07	9 40.95		

Kanhatech Solutions Limited

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Regn No: 142412W/W100595

Anuj Bhatia
Partner
Membership No: 122179

Date: April 23, 2021

For and on behalf of the Board

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(PAN: ABGPW2426H)

Kanhatech Solutions Limited
Cash Flow Statement for the year ended 31st March, 2021

(₹ in Lakh)
2019-20

	2020-21	2019-20
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit and Loss Statement	4 76.02	5 90.07
Adjusted for:		
(Profit)/ Loss on Sale of Investments (Net)	(7 11.39)	-
Dividend Income	-	(3 96.88)
Interest Income	(1.64)	-
Gain on Investment (Net)	90.71	(1 68.21)
	<u>(6 22.32)</u>	<u>(5 65.09)</u>
Operating Profit/(Loss) before Working Capital Changes	(1 46.30)	24.98
Adjusted for:		
Trade and Other Receivables	(5 50.48)	(1 75.90)
Trade and Other Payables	<u>8 36.63</u>	<u>1 77.06</u>
	<u>2 86.15</u>	<u>1.16</u>
Cash flow from Operations	1 39.85	26.14
Taxes Paid (Net)	<u>(59.23)</u>	<u>-</u>
Net Cashflow from Operating Activities	<u>80.62</u>	<u>26.14</u>
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(72 01.22)	(11 06.88)
Sale of Investments	69 96.22	8 08.75
Interest Received	1.64	-
Dividend Income	-	396.88
	<u>(2 03.36)</u>	<u>98.75</u>
Net Cashflow from / (used in) Investing Activities	(2 03.36)	98.75
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease)/ Increase in Cash and Cash Equivalents	(1 22.74)	1 24.89
Opening Balance of Cash and Cash Equivalents	1 52.48	27.59
Closing Balance of Cash and Cash Equivalents (Refer Note "5")	<u>29.74</u>	<u>1 52.48</u>

Kanhatech Solutions Limited

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Regn No: 142412W/W100595

Anuj Bhatia
Partner
Membership No: 122179

Date: April 23, 2021

For and on behalf of the Board

K Sridhar
Director
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Company Secretary

Preeti Wadhvani
Chief Financial Officer
(PAN: ABGPW2426H)

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****A. CORPORATE INFORMATION**

Kanhatech Solutions Limited ("the Company") is a limited company incorporated in India. The Company's registered office and principal place of business is at Court House, 5th Floor, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002. The company is involved in trading of electronic goods and appliances.

B. SIGNIFICANT ACCOUNTING POLICIES**B.1 BASIS OF PREPARATION AND PRESENTATION**

The Financial Statements have been prepared on the historical cost basis except for following financial assets and liabilities measured at fair value amount :

- (i) Certain Financial Assets and Liabilities (including derivative instruments),
- (ii) Defined Benefit Plan - Plan Assets

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (₹00,000), except when otherwise indicated.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, plant and equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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 entity and the cost can be measured reliably.

Property, plant and equipment which are significant to the total cost of that item of property, plant and equipment and having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

(c) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****(d) Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Particular	Depreciation
Computer Software	Over a period of 5 years (SLM)

(e) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

(f) Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

(g) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(h) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(i) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

(j) Provisions

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.

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.

(k) Employee Benefits Expense**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****Post-Employment Benefits****Defined Contribution Plans**

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

Employee Separation Costs

The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

(l) Tax Expenses

The tax expense for the period comprises of Current Tax and Deferred Income Tax. Tax is recognised in the Statement of Profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(m) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

(n) 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 entitled in exchange for those goods or services.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-60 days from the shipment or delivery of goods or services as the case may be. In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

(o) Financial Instruments**(i) Financial Assets****A. Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement**a) Financial Assets carried at Amortised Cost (AC)**

A Financial Asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and 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.

c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment loss (if any).

D. Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Profit and loss when the company's right to receive payment is established.

E. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit or Loss (FVTPL).

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)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial liabilities**A. Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of Financial Instruments

The company derecognizes a Financial Asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****(iv) Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

a) Depreciation / Amortisation and useful lives of Property, Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of Trade Receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of Financial & Non-Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Recognition Of Deferred Tax Assets And Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

f) Global Health Pandemic On Covid-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021**

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
1 OTHER FINANCIAL ASSETS - NON-CURRENT (Unsecured and Considered Good)		
Security Deposit	0.10	0.10
Total	0.10	0.10
2 OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Advance Income tax (net)	51.61	98.50
Total	51.61	98.50
2.1 Taxation		
	Year ended 31st March 2021	(₹ in Lakh) Year ended 31st March, 2020
a) Income Tax recognised in Statement of Profit and Loss		
Current Tax	1 06.13	-
Deferred Tax	-	-
Total Income Tax expenses recognised in the current year	1 06.13	-

The Income Tax expenses for the year can be reconciled to the accounting profit as follows

	Year ended 31st March 2021	(₹ in Lakh) Year ended 31st March, 2020
Profit Before tax	4 76.02	5 90.07
Applicable Tax Rate	25.168%	25.168%
Computed Tax Expense	119.80	148.51
Tax Effect of :		
Exempted Income		
Expenses Disallowed	19.44	
Additional Allowances	(32.70)	(1 48.51)
Effect of Income considered for tax purposes		
Current Tax Provision (A)	1 06.54	-
Incremental Deferred tax Liability / (Asset) on account of Property, Plant and Equipment and Intangible Assets	-	-
Incremental Deferred tax Liability / (Asset) on account of Financial Assets and Other Items	-	-
Deferred Tax Provision (B)	-	-
Tax expenses recognised in Statement of Profit and Loss (A+B)	1 06.54	-
Effective Tax Rate	22.38%	-

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****3 CURRENT INVESTMENTS**

Financial assets measured at Fair Value Through Profit and Loss (FVTPL) Investment in Mutual Funds In Units - Unquoted - fully paid up	As at		(₹ in Lakh) As at	
	31st March, 2021		31st March, 2020	
	Units	Amount	Units	Amount
Kotak Equity Arbitrage Fund - Direct Plan - Fortnight Dividend	-	-	2,73,981	75 62.74
Kotak Corporate Bond Fund Direct Growth	3,02,435	83 88.42	-	-
Total		83 88.42		75 62.74
Aggregate amount of quoted investments		-		-
Market Value of quoted investments		-		-
Aggregate amount of unquoted investments		83 88.42		75 62.74

3.1 Category wise Investment - Current

Financial assets measured at Fair Value Through Profit and Loss (FVTPL)	83 88.42	75 62.74
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**4 TRADE RECEIVABLES
(Unsecured and Considered good)**

	As at		(₹ in Lakh) As at	
	31st March 2020		31st March, 2020	
Trade receivable	10 24.89		4 81.00	
Total	10 24.89		4 81.00	

5 CASH AND CASH EQUIVALENTS

	As at		(₹ in Lakh) As at	
	31st March, 2021		31st March, 2020	
Bank Balances:				
In Current Accounts	29.74		1 52.48	
Total	29.74		1 52.48	

**6 OTHER CURRENT ASSETS
(Unsecured and Considered Good)**

	As at		(₹ in Lakh) As at	
	31st March, 2021		31st March, 2020	
Balance with GST Authorities	30.32		23.49	
Others(i)	-		0.24	
Total	30.32		23.73	

(i) This includes advances

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021**

(₹ in Lakh)

7 SHARE CAPITAL**As at
31st March, 2021****As at
31st March, 2020****Authorised:**

7,50,00,000 (7,50,00,000)	Equity Shares of ₹ 10 each	75 00.00	75 00.00
Total		75 00.00	75 00.00

Issued, Subscribed and Paid-Up:**Fully paid-up**

7,50,00,000 (7,50,00,000)	Equity Shares of ₹ 10 each	75 00.00	75 00.00
Total		75 00.00	75 00.00

(i) 7,50,00,000 (Previous Year 7,50,00,000) equity shares of Rs. 10 each fully paid up are held by Reliance Industrial Investments and Holdings Limited, the holding company including those held with its nominees.

(ii) Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

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

(iii) The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Reliance Industrial Investments and Holdings Limited (Holding Company) including those held with its nominees	7,50,00,000	100%	7,50,00,000	100%
Total	7,50,00,000	100%	7,50,00,000	100%

(iv) Reconciliation of opening and closing number of shares

Particulars	2020-21		2019-20	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
Equity Shares outstanding at the beginning of the year	7,50,00,000	75 00.00	7,50,00,000	75 00.00
Add: Equity Shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	7,50,00,000	75 00.00	7,50,00,000	75 00.00

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****8 OTHER EQUITY**

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Retained Earnings		
As per Last Balance Sheet	5 71.06	(19.01)
Add: Profit/(Loss) for the year	3 69.89	5 90.07
Total (A)	<u>9 40.95</u>	<u>5 71.06</u>
Other Comprehensive income		
As per Last Balance Sheet	(2.18)	0.02
Add: Movement in OCI during the year	2.18	(2.20)
Total (B)	<u>-</u>	<u>(2.18)</u>
Total (A + B)	<u><u>9 40.95</u></u>	<u><u>5 68.88</u></u>

9 PROVISIONS - NON CURRENT

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Provision for Employee Benefits (Refer Note 16.1)	-	10.77
Total	<u>-</u>	<u>10.77</u>

10 TRADE PAYABLES

		(₹ in Lakh)
Micro and Small Enterprises*	-	-
Others	10 63.03	-
Total	<u>10 63.03</u>	<u>-</u>

* There are no overdue amounts Micro, Small and Medium Enterprises as at 31st March, 2021.

11 OTHER FINANCIAL LIABILITIES - CURRENT

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Other Payables	16.08	1 13.56
Total	<u>16.08</u>	<u>1 13.56</u>

12 OTHER CURRENT LIABILITIES

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Other Payables #	5.02	1 13.54
Total	<u>5.02</u>	<u>1 13.54</u>

Other payables includes statutory dues and payables to employees.

13 PROVISIONS - CURRENT

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Provision for Employee Benefits (Refer Note 16.1)	-	11.80
Total	<u>-</u>	<u>11.80</u>

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021**

14 REVENUE FROM OPERATIONS	(₹ in Lakh)	
	2020-21	2019-20
Income from Services	10 24.12	6 78.50
Less: GST Recovered	2 24.03	1 03.50
Total	<u>8 00.09</u>	<u>5 75.00</u>

15 OTHER INCOME	(₹ in Lakh)	
	2020-21	2019-20
Interest Income		
Interest on IT refund	1.64	-
Dividend Income		
From Current Investments	-	3 96.88
Net Gain from Investments		
Net Gain / (loss) on Sale of Investments	7 11.39	(24.49)
Net Gain / (loss) arising on financial assets designated as at FVTPL	(90.71)	1 92.70
Total	<u>6 22.32</u>	<u>5 65.09</u>

16 EMPLOYEE BENEFITS EXPENSE	(₹ in Lakh)	
	2020-21	2019-20
Salaries and Wages	67.92	4 06.68
Contribution to Provident and other Funds	4.36	29.24
Staff Welfare Expenses	2.40	17.65
Total	<u>74.68</u>	<u>4 53.57</u>

16.1 As per Indian Accounting Standard 19 "Employee benefits" the disclosures as defined are given below:**Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised in books of accounts for the year is as under:

Particulars	(₹ in Lakh)	
	2020-21	2019-20
Employer's Contribution to Provident Fund	12.64	10.80
Employer's Contribution to Pension Scheme	1.56	1.40

The Company's Provident Fund is exempted under Section 17 of Employee's Provident Fund and Miscellaneous Provision Act, 1952

Defined Benefit Plan

The company pays gratuity to the employees whoever has completed five years of service with the company on resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per The Payment Gratuity Act 1972.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	(₹ in Lakh)	
	Gratuity (Unfunded)	
	2020-21	2019-20
Defined Benefit obligation at beginning of year	10.79	3.71
Current Service Cost	-	4.58
Interest Cost	-	0.30
Actuarial (gain) / loss	-	2.20
Benefits paid	-	-
Reversed on employee moving out	(10.79)	-
Defined Benefit obligation at year end	-	10.79

II) Reconciliation of fair value of assets and obligations

	(₹ in Lakh)	
	Gratuity (Unfunded)	
	2020-21	2019-20
Present Value of Obligation	-	10.79
Amount recognised in Balance sheet	-	10.79

III) Expenses recognised during the year

	(₹ in Lakh)	
	Gratuity (Unfunded)	
	2020-21	2019-20
In Income Statement		
Current Service Cost	-	4.58
Interest Cost	-	0.30
Net Cost	-	4.87
In Other Comprehensive Income		
Actuarial (gain) / loss	-	2.20
Net (Income)/ Expense for the year recognised in OCI	-	2.20

IV) Actuarial assumptions

	Gratuity (Unfunded)	
	2020-21	2019-20
	2006-08	2006-08
	(Ultimate)	(Ultimate)
Mortality Table (IALM)		
Discount Rate (per annum)	0.00%	8.00%
Rate of escalation in salary (per annum)	0.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Sensitivity Analysis for Gratuity

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below is for previous year and has been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Delta Effect of (-/+) 0.5% Change in Rate of Discounting	-	-	0.35	(.31)
Delta Effect of (-/+) 0.5% Change in Rate of Salary Increase	-	-	(.32)	0.35
Delta Effect of (-/+) 0.5% Change in Rate of Employee Turnover	-	-	0.00	0.00

These plans typically expose the Group to actuarial risks such as: interest risk, longevity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

17 OTHER EXPENSES

	(₹ in Lakh)	
	2020-21	2019-20
Payment to Auditors (Refer Note no 17.1)	1.43	1.30
Professional Fees	55.30	38.51
Travelling Expenses	0.95	49.96
Charity and Donation	6.90	-
General Expenses	7.83	6.68
TOTAL	72.41	96.45

17.1 Payment to Auditors as :

	(₹ in Lakh)	
	2020-21	2019-20
Audit Fees	1.43	1.30
Certification Fees	-	-
Total	1.43	1.30

17.2 Corporate Social Responsibility (CSR)

a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 6.90 lakh (Previous Year ₹ Nil)

b) Expenditure related to Corporate Social Responsibility is ₹ 6.90 Lakh (Previous Year ₹ Nil).

Details of amount spent towards CSR given below:

	(₹ in Lakh)	
Particulars	2020-21	2019-20
Health Care, including Preventive Health Care	6.90	-
Total	6.90	-

c) Total ₹ 6.90 lakh (Previous Year ₹ Nil) is spent through Reliance Foundation.

Kanhatech Solutions Limited**Notes to the Financial Statements for the year ended 31st March, 2021****18 SEGMENT INFORMATION**

The company has a single segment as per the requirements of Ind AS 108 for "Segment Reporting".
Revenue from Single Customer contributed more than 10% of the Company's revenue.

- 19 The company has carried forward losses of previous years on which Deferred tax assets is calculated. Net Deferred tax assets to the extent of Rs 115.07 Lakhs (Previous Year - Rs.44.10 lakhs) is not recognised in balance sheet for the temporary differences arising on items as a matter of prudence.

Deferred tax liabilities / asset in relation to:	(₹ in Lakh)	
	Deferred Tax Asset/ (Liability) As at 31st March, 2021	As at 31st March, 2020
Property, Plant and Equipment	-	-
Current Investment	22.83	(48.50)
Unabsorbed Depreciation & Business loss	92.24	92.60
Net Deferred Tax Asset	1 15.07	44.10

20 Earnings Per Share (EPS)

	2020-21	2019-20
i) Net Profit after tax as per Profit and Loss Statement attributable to Equity Shareholders (₹ In Lakhs)	3 69.89	5 90.07
ii) Weighed Average number of equity shares used as denominator for Calculating EPS	7,50,00,000	7,50,00,000
iii) Basic and Diluted earnings per share (₹)	0.49	0.79
iv) Face Value per equity share (₹)	10	10

21 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

- (i) **List of related parties with whom transactions have taken place and relationship :**

Sr No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Corporate IT Park Limited	Fellow Subsidiary
4	Reliance Platform and Project Management Services Limited (formerly known as Reliance Digital Platform and Project Services Limited)	Fellow Subsidiary
5	Reliance Retail Limited	Fellow Subsidiary
6	Abhishek Juvekar	Company Secretary
7	Krimesh Divecha	Manager (from 27th March 2019 till 30th June 2019)
8	Sonakshi Laddha	Manager (w.e.f 26th December 2019)
9	Preeti Wadhvani	Chief Financial Officer (w.e.f. 27th March 2019)

- (ii) **Transactions during the year ended 31st March, 2021, with related parties**

(₹ in Lakh)

Sr. No.	Nature of Transactions (excluding reimbursements)	Ultimate Holding Company	Holding Company	Fellow Subsidiary Company	Key Managerial Personnel	Total
1	Purchase of Goods & Services	-	-	799.30	-	799.30
2	Professional Fees	0.80 (2.00)	-	-	52.25 (37.41)	53.05 (37.41)
Balances as at 31st March, 2020						
1	Share Capital	-	75 00.00 (75 00.00)	-	-	75 00.00 (75 00.00)
2	Trade Creditors	0.56	-	1,023.10	30.20	1,053.86
		-	-	-	-	-

Note: Figures in bracket represent previous year's amounts.

(iii) Disclosure in respect of Major Related Party Transactions during the year ended 31st March, 2021

(₹ in Lakh)

Particulars	Relationship	2020-21	2019-20
1 Professional Fees			
Reliance Industries Limited	Ultimate Holding Company	0.80	2.00
Abhishek Juvekar	Key Managerial Personnel	27.33	24.58
Preeti Wadhvani	Key Managerial Personnel	17.85	16.92
Krimesh Divecha	Key Managerial Personnel	-	12.16
Sonakshi Laddha	Key Managerial Personnel	7.07	1.79
2 Purchase of Goods			
Reliance Retail Limited	Fellow Subsidiary Company	799.30	-

21.1 Compensation of Key Managerial Personnel*

The remuneration of key Managerial Personnel during the year was as follows :

(₹ in Lakh)

	2020-21	2019-20
i) Professional Fees	52.25	55.45
Total	52.25	55.45

* Includes Professional Fees towards Key Managerial Personnel payments reimbursed to Reliance Industries Limited, Reliance Corporate IT Park Limited and Reliance Platform and Project Management Services Limited (formerly known as Reliance Digital Platform and Project Services Limited)

22 FOREIGN CURRENCY EXPOSURE

There are no foreign currency exposures as on 31st March, 2021 and 31st March, 2020.

23 CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of Equity share capital.

As on 31st March, 2021, the Company did not have any debt.

Net Gearing Ratio

There is no Debt in the Company as on 31.03.2021 and 31.03.2020. Thus, the Net Gearing Ratio is NIL as on 31.03.2021 and 31.03.2020.

24 FINANCIAL INSTRUMENTS

Fair valuation of mutual fund is done by multiplying the closing unit balance of mutual fund with NAV of the fund as on each reporting date.

(₹ in Lakh)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	Carrying Amount	Level of input used			Carrying Amount	Level of input used		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Trade Receivables	10 24.89	-	-	-	4 81.00	-	-	-
Other Financial Assets-Non Current	0.10	-	-	-	0.10	-	-	-
Cash and Cash Equivalents	29.74	-	-	-	1 52.48	-	-	-
At FVTPL								
Investments	83 88.42	83 88.42	-	-	75 62.74	75 62.74	-	-
Financial Liabilities								
At Amortised Cost								
Trade Payables	10 63.03	-	-	-	-	-	-	-
Other Financial Liabilities-Current	16.08	-	-	-	1 13.56	-	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs based on unobservable market data.

25 FINANCIAL RISK MANAGEMENT

The company's risk management is carried out by a central treasury department under policies approved by the board of directors.

Credit Risk

Credit Risk is the risk that a customer will fail to pay amounts due causing financial loss to the company. The company is currently engaged in investing the surplus funds in Liquid Mutual Fund. The risks associated with this financial instrument is Interest Rate Risk. It arises from cash and cash equivalents, from credit exposures to customers relating to outstanding receivables and other receivables.

Liquidity Risk

Liquidity Risk is the risk that suitable sources of funding for the company's business activities may not be available.

Prudent liquidity risk management implies maintaining sufficient cash and mutual fund balances and the availability of funding through an adequate amount of committed funding from its holding company to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The company's liquidity is managed with operating units forecasting their requirements to the treasury function. The treasury unit will then either arrange to fund the requirements or invest the surplus in mutual fund.

Market Risk

Market Risk - Foreign exchange is this risk arises from Purchases denominated in currencies other than INR.

Market Risk - Interest rate risk: The risk that the fair value or future cash flows of a financial instrument (mutual fund) will fluctuate because of changes in market interest rates.

26 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013

- (i) The Company has not given any loans.
- (ii) Investments made by the Company as at 31st March, 2021 (Refer note no. 3)
- (iii) The Company has not given any Corporate Guarantees.

27 The figures for the previous years have been regrouped/ reclassified wherever necessary, to make them comparable.

28 Approval of Financial Statements

These financial statement are approved by Board of Directors in the meeting held on 23rd April 2021.

Kanhatech Solutions Limited

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Regn No: 142412W/W100595

Anuj Bhatia
Partner
Membership No: 122179

Date: April 23, 2021

For and on behalf of the Board

K Sridhar
Director
(DIN: 00012765)

Sajita Nair
Director
(DIN: 09082420)

Abhishek Juvekar
Company Secretary

Preeti Wadhvani
Chief Financial Officer
(PAN: ABGPW2426H)