



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/s. Kelbuzz Trading Private Limited

Report on the IND AS Financial Statements:

Opinion:

We have audited the accompanying standalone IND AS financial statements of M/s. Kelbuzz Trading Private Limited ("the Company"), which comprises of the Balance Sheet as at 31 March, 2021 and the Statement of Profit and loss, the Cash Flow Statement, the statement for Changes in Equity for the year then ended, and a summary of summary of significant accounting policies and other explanatory information annexed thereto.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at 31st March 2021, and its loss and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit or 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained have sufficient and appropriate to provide basis for our audit opinion on Standalone IND AS financial statements.

Key Audit Matters:

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



Key Audit Matter	How our audit addressed the Key audit matter
Carrying value of the Trade receivables transferred from Holding company outstanding for a period of more than two years.	Our audit procedures included but were not limited to the following: <ol style="list-style-type: none">1. Evaluating the reasonableness of the assumptions considered by the management in estimation of the realization value of the receivables.2. Review of the disclosure made by the company in the financial statements in this regard.

Information other than the standalone financial statements and the auditors report thereon:

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Business responsibility report, Corporate Governance and Shareholders Information, but does not include the standalone IND AS financial statements and our Auditors report thereon.

Our opinion on the standalone IND AS 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 standalone IND AS 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 standalone IND AS financial statements, our responsibility is to read the other information and in doing so, whether, the other information is materially inconsistent with the standalone IND AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements:

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

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

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

Auditor's Responsibility:

Our objectives are to obtain reasonable assurance about whether the financial statements are 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 standalone IND AS financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone 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 omission, misrepresentation, or the override of internal control
2. Obtain an understanding of internal financial 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS 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.

5. Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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:

1. As required by the Companies (Auditor's Report) Order, 2016, ("The Order") issued by the Government of India, in terms of sub section (11) of section 143 of the Act. And on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure 1", a statement on the matters specified in the paragraphs 3 & 4 of the said order

2. As required under 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 purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts.
 - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act as on 31st March 2021; and
 - 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 2"; and
 - 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, we do not offer any comment on the remuneration paid by the company to its Directors as during the aforementioned period, no remuneration has been paid by the company to its Directors
 - h) with respect to the other matters to be included in the auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company does not have pending litigations, which would impact its Ind AS financial statements
 - ii. The company did not have any long term contracts and has not entered into any derivative contracts. Accordingly no provision is required to be recognized in the respect of material foreseeable losses under applicable laws or accounting standards.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date June 28, 2021
Place: Bangalore

For Ganesh Kamath Associates
Chartered Accountants



Ganesh Kamath
Ganesh Kamath M.)
Proprietor
M. No: 203081
Firm Reg No: 006449S

Annexure -1 to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report to the members of **Kelbuzz Trading Private Limited, Bangalore**

- 1) The company does not have any fixed assets during the period covered under audit, hence the clause 3(i) of the Order is not applicable
- 2)
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- 3) The company has not granted any loans during the year to the Companies, firms or other parties listed in the registered maintained under section 189 of the Act, the clause 3(iii) of the Order is not applicable
- 4) In accordance to the information provided and explanations given to us, the company has not granted loan, made investment, provided any guarantee or security hence comments required under clause 3(iv) has not been made here.
- 5) The company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act, and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the said order are not applicable.
- 6) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 148 of the Act for the products of the company. Accordingly, provisions of clause 3(vi) of the said order are not applicable.
- 7)
 - a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues applicable to it to with the appropriate authorities. In terms of its books of accounts, no undisputed statutory dues payable in respect of provident fund, employees state insurance, income tax, wealth tax, GST, service tax, customs duty, excise duty, value added tax, cess, and any other undisputed statutory dues were outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable.
 - b) According to the records of the company and according to the information and explanations given to us, there were no dues outstanding on account of income tax,

wealth tax, GST, service tax, sales tax, customs duty, excise duty and cess on account of dispute.

- 8) According to the records of the company and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the bank.
- 9) According to the records of the company and according to the information and explanations provided to us, the company has applied the proceeds of the term loans obtained by it for the purpose for which it was obtained.
- 10) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no material frauds on or by the company has been noticed or reported.
- 11) The company has not provided for or paid any managerial remuneration during the period covered under audit, hence the comments required under clause 3(xi) of the said Order are not been made here.
- 12) The company is not a Nidhi company, Accordingly, clause 3(xii) of the said order is not applicable.
- 13) According to the records of the company and according to the information and explanations provided to us, the company has disclosed in the financial statements for the year ended March 31, 2021 matters required under section 188 of the Companies Act and as required under relevant Accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the issue of shares made by the company has been made against consideration other than cash, hence, comments on amount raised on issue of shares has not been made here.
- 15) According to the records of the company and according to the information and explanations provided to us, during the period covered under audit, the company has not entered into non cash transactions with Directors or persons connected with Directors.
- 16) The company is not required to be registered under section 45-IA of the RBI Act, of 1934, hence the clause 3(xvi) of the Order is not applicable.

Date: June 28, 2021
Place: Bangalore

For Ganesh Kamath Associates
Chartered Accountants



Ganesh Kamath
(CA Ganesh Kamath M.)
Proprietor

M. No: 203081;FRN: 006449S

Annexure – 2 to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Kelbuzz Trading Private Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone 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 over financial reporting 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 issued by the Institute of Chartered Accountants of India ('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 under the Companies Act, 2013.

Auditors' 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 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.

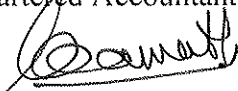
Opinion

In our opinion, the Company has, 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 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: June 28, 2021
Place: Bangalore

For Ganesh Kamath Associates
Chartered Accountants




Ganesh Kamath M.)
Proprietor
M. No: 203081; FRN: 006449S

KELBUZZ TRADING PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

Amount in ₹

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Non-Current Assets			
(a) Other non current assets	3	25,23,91,533	30,66,21,306
Total Non Current Assets		25,23,91,533	30,66,21,306
Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	4	81,028	1,82,526
(b) Other Current Assets	5	8,730	7,830
Total current assets		89,758	1,90,356
TOTAL ASSETS		25,24,81,291	30,68,11,662
II. EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	6	7,02,00,000	7,02,00,000
(b) Other Equity	7	(50,47,84,340)	(48,99,24,939)
Total Equity		(43,45,84,340)	(41,97,24,939)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	-	3,42,48,984
Total non Current Liabilities		-	3,42,48,984
Current Liabilities			
(a) Other Current Liabilities	9	68,70,65,631	69,22,87,617
Total Current Liabilities		68,70,65,631	69,22,87,617
TOTAL EQUITY AND LIABILITIES		25,24,81,291	30,68,11,662
Significant accounting policies and notes attached form an integral part of the financial statements	1, 2, 15 to 19		

In Accordance with our report attached

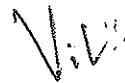
For and on behalf of the Board of Directors of Kelbuzz
Trading Private Limited

For Ganesh Kamath Associates
Chartered Accountants

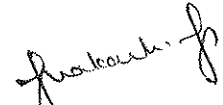


CA. Ganesh Kamath M.
Proprietor
M. No. 203081/ FRN: 006449S





Vikas Kumar Gandhi
Director
DIN:07104367



Prakash Purushotham
Director
DIN:07199035

Place: Bengaluru
Date: Jun 28, 2021

KELBUZZ TRADING PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021


Amount in ₹

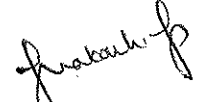
Particulars		Note No.	Current Year	Previous Year
I	Other income	10	-	4,08,63,218
			-	4,08,63,218
II	Expenses			
	Finance costs	11	-	4,58,76,878
	Other expenses	12	1,48,59,401	5,81,60,228
	Total expenses		1,48,59,401	10,40,37,106
III	Exceptional Items	13	-	5,10,79,663
IV	(Loss) for the period		(1,48,59,401)	(1,20,94,225)
V	Earning per equity share:	14		
	Basic & diluted		(2.12)	(1.73)
		1, 2, 15 to 19		

In Accordance with our report attached

For and on behalf of the Board of Directors of Kelbuzz
Trading Private Limited

For Ganesh Kamath Associates
Chartered Accountants


Vikas Kumar Gandhi
 Director
 DIN:07104367


Prakash Purushotham
 Director
 DIN:07199035


CA. Ganesh Kamath M.

Proprietor

M. No. 203081/ FRN: 006449S



Place: Bengaluru

Date: Jun 28, 2021


KELBUZZ TRADING PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Current Year	Previous Year
Amount in ₹		
Cash flows from operating activities		
Loss before taxation	(1,48,59,401)	(1,20,94,225)
Adjustments for:		
Finance costs	-	4,58,76,878
	<u>(1,48,59,401)</u>	<u>4,58,76,878</u>
(Increase)/ decrease in other non current assets	5,42,29,773	36,04,91,359
(Increase)/ decrease in current assets	(900)	(1,080)
Increase/ (decrease) in other non current liabilities	(3,42,48,984)	(38,58,30,679)
Increase/ (decrease) in other current liabilities	(52,21,986)	3,74,34,661
	<u>1,47,57,903</u>	<u>1,20,94,261</u>
Net cash from operating activities	<u>(1,01,498)</u>	<u>4,58,76,914</u>
Cash flows from financing activities		
Finance costs	-	(4,58,76,878)
Net cash from financing activities	-	(4,58,76,878)
Net increase/(decrease) in cash and cash equivalents	<u>(1,01,498)</u>	<u>36</u>
Cash and cash equivalents at beginning of the year	1,82,526	1,82,490
Cash and cash equivalents at end of the year	<u><u>81,028</u></u>	<u><u>1,82,526</u></u>

In Accordance with our report attached

For and on behalf of the Board of Directors of Kelbuzz Trading Private Limited

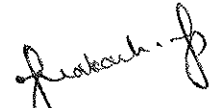
For Ganesh Kamath Associates
Chartered Accountants


CA. Ganesh Kamath M.
Proprietor
M. No. 203081/ FRN: 006449S





Vikas Kumar Gandhi
Director
DIN:07104367



Prakash Purushotham
Director
DIN:07199035

Place: Bengaluru
Date: Jun 28, 2021

KELBUZZ TRADING PRIVATE LIMITED
CHANGES IN EQUITY AS AT MARCH 31, 2021

(a) Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Beginning of the year	7,02,00,000	7,02,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the year	7,02,00,000	7,02,00,000

(b) Other Equity

Amount in ₹

Particulars	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2019	(47,78,30,714)	(47,78,30,714)
Add: Loss for the year	(1,20,94,225)	(1,20,94,225)
Total comprehensive income as at March 31, 2020	(48,99,24,939)	(48,99,24,939)
Add: Loss for the year	(1,48,59,401)	(1,48,59,401)
Total comprehensive income as at March 31, 2021	(50,47,84,340)	(50,47,84,340)

In Accordance with our report attached

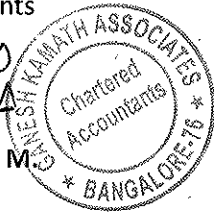
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Trading Private Limited

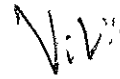
For Ganesh Kamath Associates
Chartered Accountants


CA. Ganesh Kamath M

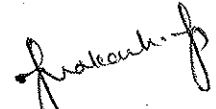
Proprietor

M. No. 203081/ FRN: 006449S





Vikas Kumar Gandhi
Director
DIN:07104367



Prakash Purushotham
Director
DIN:07199035

Place: Bengaluru

Date: Jun 28, 2021

KELBUZZ TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

1 BACKGROUND:

Kelbuzz Trading Private Limited ("the Company") was incorporated on December 5, 2014 and is a subsidiary of Kirloskar Electric Company Limited. The Company has been formed as Special Purpose Vehicle ("SPV") as per the restructuring terms.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial accounts are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. All income and expenditure, having a material bearing on financial statements, are recognized on accrual basis.

2.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those

2.3 ASSETS HELD FOR SALE:

Assets held for sale are stated at the cost or estimated net realizable value whichever is lower.

2.4 TAXES ON INCOME:

Provision for current tax for the year is after taking cognizance of excess / short provision in prior years. Deferred tax assets/liability is recognized, subject to consideration of prudence, on timing differences.

2.5 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to profit and loss account, in the year in which an asset is identified as impaired.

2.6 PROVISIONS AND CONTINGENT LIABILITIES:

- a. A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- b. Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

KELBUZZ TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Amount in ₹		
3 Other non current assets		
(i) Assets Held for Sale	45,68,460	5,90,98,982
(ii) Other receivables	38,94,83,068	38,94,83,068
Less: Provision doubtful receivables	(14,50,00,000)	(14,50,00,000)
	24,44,83,068	24,44,83,068
(iii) Advance Income Tax (net of provision)	33,40,005	30,39,256
Total	25,23,91,533	30,66,21,306
4 Cash and cash equivalents:		
Balances with banks		
- in other accounts	81,028	1,82,526
Total	81,028	1,82,526
5 Other Current Asset		
GST	8,730	7,830
Total	8,730	7,830

KELBUZZ TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

6 Share capital:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Authorized:				
Equity shares of ₹ 10/- each	70,90,000	7,09,00,000	70,90,000	7,09,00,000
Preference shares of ₹ 10/- each	10,000	1,00,000	10,000	1,00,000
		7,10,00,000		7,10,00,000
Issued, subscribed and fully paid up:				
Preference shares of ₹ 10/- each				
At the beginning of the reporting period	10,000	1,00,000	10,000	1,00,000
Issued during the reporting period	-	-	-	-
Redeemed during the reporting period	-	-	-	-
At the close of the reporting period	10,000	1,00,000	10,000	1,00,000
Equity shares of ₹ 10/- each				
At the beginning of the period	70,10,000	7,01,00,000	70,10,000	7,01,00,000
Issued during the reporting period	-	-	-	-
At the close of the period	70,10,000	7,01,00,000	70,10,000	7,01,00,000
Total		7,02,00,000		7,02,00,000

Other Information:

1 Preference Shares:

- The Company has issued non cumulative preference shares of ₹ 10/- each. The preference shareholders do not have voting rights.
- Preference shares carry a dividend of 0.1%.
- Preference shares shall be redeemed after 10 years from the date of allotment.

Particulars of preference share holders holding more than 5% of the total number of preference share capital:	As at March 31, 2021		As at March 31, 2020	
	Number	Percentage	Number	Percentage
(i) Best Trading Private Limited	10,000	100%	10,000	100%

2 Equity shares:

- The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholder.

Equity Shares of Rs.10/- each includes:	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
(i) Shares allotted pursuant to a contract without consideration being received in cash. These shares were issued to Kirloskar Electric Company Limited as fully paid.	70,10,000	7,01,00,000	70,10,000	7,01,00,000

Particulars of equity share holders holding more than 5% of the total number of equity share capital:	As at March 31, 2021		As at March 31, 2020	
	Number	Percentage	Number	Percentage
Kirloskar Electric Company Limited (holding Company)	70,09,999	100%	70,09,999	100%

(7) Other Equity

Particulars	Amount in ₹	
	Retained earnings	Total Other equity
Total comprehensive income as at March 31, 2019	(47,78,30,714)	(47,78,30,714)
Add: Loss for the year	(1,20,94,225)	(1,20,94,225)
Total comprehensive income as at March 31, 2020	(48,99,24,939)	(48,99,24,939)
Add: Loss for the year	(1,48,59,401)	(1,48,59,401)
Total comprehensive income as at March 31, 2021	(50,47,84,340)	(50,47,84,340)

KELBUZZ TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
8 Borrowings:		Amount in ₹
1) Secured loans:		
a. Term loan from other than banks	-	3,42,48,984
	-	3,42,48,984
 <u>Additional Information:</u>		
1) Details of security for secured loans:		
a. First charge on the entire current assets present and future including stocks, receivables etc.		
b. Collateral security by way of Equitable Mortgage of property at Bhandarkar Road, Pune and at Belvadi Industrial Area, Mysore.		
2) Terms of repayment of term loans and others		
Loan is repayable on or before June 30, 2021.		
3) Rate of Interest		
Loan carry an interest rate of 12% p.a payable monthly and 7% p.a accrued monthly and payable in lumsum by June 30, 2021.		
4) Loans guaranteed by directors or others:		
Loan is guaranteed by the Holding Company and Mr. Vijay R Kirloskar		
 9 Other current liabilities:		
i) Interest accrued on borrowings	2,39,49,851	3,38,00,867
ii) Interest accrued and not due	8,90,00,000	8,90,00,000
iii) Amount due to holding company	57,40,74,260	56,94,36,728
iv) Other liabilities	41,520	50,022
	68,70,65,631	69,22,87,617

KELBUZZ TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	March 31, 2021	March 31, 2020
10 Other Income		
Provision no longer required written back	-	4,08,63,218
	-	4,08,63,218
11 Finance costs:		
Interest expenses	-	4,58,76,878
	-	4,58,76,878
12 Other expenses:		
i) Rates and taxes	3,71,691	18,600
ii) Payment to auditors - as auditor	7,500	15,000
iii) Professional charges	17,900	28,000
iv) Loss on sale of Asset held for sale	1,52,58,138	4,80,03,052
v) Provision for doubtful trade receivables	-	1,00,00,000
vi) Bank charges	749	(36)
vii) Provision for Diminution in Value of the Asset withdrawn	(8,27,616)	-
viii) Insurance expenses	31,039	18,612
ix) Repair and Maintenance	-	77,000
	1,48,59,401	5,81,60,228
13 Exceptional items		
OTS with Bank	-	5,10,79,663
	-	5,10,79,663

Exceptional Items income is arising on account of reduction in liability of Axis Bank on assignment of outstanding loan to Asset restructuring Company Limited (ARCIL).

14 Earnings per share:

(Basic and diluted)

Loss for the year after tax expense	(1,48,59,401)	(1,20,94,225)
Weighted average number of equity shares	70,10,000	70,10,000
Loss per share	(2.12)	(1.73)

15 SEGMENT REPORTING:

The Company is a SPV engaged in the realisation of fixed and current assets transferred from its holding company. Since the Company's business activity primarily falls within single business segment, no further disclosures required other than those given in the financial statements.

16 RELATED PARTY TRANSACTIONS:

(a) List of related parties:

Sl. No.	Name of the Related Party	Relationship
1	Kirloskar Electric Company Limited	Holding Company
2	Prakash Purushotham	Key Management Personnel and their relatives ("KMP")
3	Vikas Kumar Gandhi	
4	Ashok Misra	
5	K S Swapna Latha#	

#from 01-05-2019 up to 20-11-2020

KELBUZZ TRADING PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

(b) Transactions with related parties: Amount in ₹

Particulars	Relationship	Current Year	Previous Year
Reimbursement of expenses:			
Kirloskar Electric Company Limited	Holding Company	4,37,532	2,06,262

(c) Outstanding balances at the end of the year: Amount in ₹

Particulars	Relation Ship	As at March 31, 2021	As at March 31, 2020
Amount due from Company:			
Kirloskar Electric Company Limited	Holding Company	57,40,74,260	56,94,36,728


Guarantees given for the loans taken by the Company and outstanding at the end of the year by:

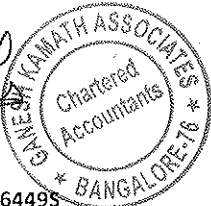
Kirloskar Electric Company Limited	Holding Company	-	3,42,48,984
Vijay R Kirloskar	KMP of Holding Company	-	3,42,48,984

- 17 a. In respect of aggregate trade receivables transferred from the holding company and outstanding as at March 31, 2021 for more than 2 years, net of provision, amounting to ₹ 244,483,068. (Previous year ₹ 244,483,068), the company has made an independent assessment of these debts and considered as good of recovery. Consequently, no provision is required at this stage.
- b. The Company is taking active steps to dispose off the immoveable properties and current assets so taken over and pay the unpaid consideration to its holding company and repay the borrowings from bank/ other financial institution. Other expense for the year ended March 31, 2021 includes the loss on sale of properties of the Company situated at Bhandarkar Road, Pune and for the year ended March 31, 2020 includes the loss on sale of property situated at Belawadi Industrial Area at Mysore. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the financial institutions.
- c. Assignment of dues from non residents are subject to approval of Reserve Bank of India, if required.
- 18 The company has assessed the impact that may result from this pandemic on its assets/ liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the company considered internal and external information available till the date of approval of these financial results and has assessed this situation. In that context and based on the current estimates, the company believes that COVID-19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at date of approval of these financial statements. The company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant period.
- 19 Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

In Accordance with our Report attached

For Ganesh Kamath Associates
Chartered Accountants


CA. Ganesh Kamath M.
Proprietor
M. No. 203081/ FRN: 0064495



For and on behalf of the Board of Directors of Kelbuzz Trading Private Limited


Vikas Kumar Gandhi
Director
DIN: 07104367


Prakash Purushotham
Director
DIN: 07199035

Place: Bengaluru
Date: Jun 28, 2021