

INDEPENDENT AUDITOR'S REPORT

To the Members of KBL SERVICES LIMITED

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of KBL SERVICES LIMITED ("the Company") which comprise of balance sheet as at March 31, 2023, the statement of profit & loss and the cashflow statement for the year then ended, notes to financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2023, loss and its cash flows for the year ended on that date.

Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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, ["Information Other than the Financial Statements and Auditor's Report Thereon"]:

The Company's Board of Directors is responsible for the other information. The other information comprises the board report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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.

Management's Responsibility for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company



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 implementation and maintenance of 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 statement 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 Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Standalone 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 judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 standalone 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure – A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on that date from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:
In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has no pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.



- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) a) Based on the information and explanation provided and as represented to us by the management to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- b) Based on the information and explanation provided and as represented to us by the management to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) There was no dividend declared or paid during the year by the company accordingly, section 123 of the Companies Act 2013 is not applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For B. K. RAMADHYANI & CO LLP
Chartered Accountants
Firm Registration No. 002878S/S200021



Vasuki H S.

(CA Vasuki H S)

Partner

Membership No. 212013

UDIN: 23212013BGWLDX2435

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

Place: Bangalore
Date: May 9, 2023

ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF KBL SERVICES LIMITED.

| | | |
|----|----|---|
| 1. | a) | A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE') and relevant details of right-of-use assets. B) The company is maintaining proper records showing full particulars of intangible assets. |
| | b) | Management during the year has physically verified PPE as per a phased program of physical verification. We are of the opinion that it is conducted at reasonable intervals. We have been informed by the management that the discrepancies noticed on such verification were not material and the same has been properly dealt with in the books of account. |
| | c) | Based on our examination and the information and explanation furnished to us there are no immovable properties held by the Company during any point of time during the year and accordingly the said clause 3(i)(c) is not applicable to the Company. |
| | d) | The company has not revalued its PPE or intangible assets or both during the year and accordingly provisions of clause 3(i)(d) is not applicable to the Company. |
| | e) | According to the information and explanation given to us by the Company, there are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and accordingly provisions of clause 3(i)(e) is not applicable to the Company. |
| 2. | a) | The Company did not hold any Inventories during the year or as at the year ended March 31, 2023 and accordingly clause 3(ii)(a) of the Order is not applicable. |
| | b) | The Company has not been sanctioned, any working capital limits in excess of five crore rupees, in aggregate, during any point of time of the year from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable. |
| 3. | | The Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii) of the Order is not applicable. |
| 4. | | Based on the information and explanations given to us, the Company has not granted any loans, made any investments, given guarantees and securities as referred in the provisions of section 185 and 186 of the Act. Hence, clause 3(iv) of the Order is not applicable. |
| 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 rules framed under. 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 sub-section (1) of section 148 of the Act. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable. |
| 7. | a) | According to the records of the Company, it is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Goods and Service Tax and any other statutory dues to the appropriate authorities as at March 31, 2023. There are no |



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| | | undisputed dues outstanding 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 explanation given to us, there were no statutory dues referred to in sub clause (a), outstanding that have not been deposited on account of any dispute. |
| 8. | | According to the information and explanation provided and as represented to us by the management there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the said Order are not applicable. |
| 9 | | The company doesn't have any loans or other borrowings, accordingly, clause 3(ix) of the said order is not applicable. |
| 10. | a) | According to the information and explanation provided by the Company and as represented to us, there were no moneys raised by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the said Order are not applicable. |
| | b) | According to the information and explanation provided by the Company and as represented to us, there were no preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the said Order are not applicable. |
| 11. | a) | According to the information and explanation provided by the Company and as represented to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year. |
| | b) | No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report. |
| | c) | According to the information and explanation provided by the Company and as represented to us, we are informed that there are no whistle blower complaints received by the Company and has been relied upon by us. |
| 12. | | The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable. |



| | |
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| 13. | In our opinion and according to the information and explanation given to us and as represented to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards. |
| 14. | According to the information and explanation given to us and as represented to us by the management, the company do not have internal audit system. |
| 15. | As represented to us by the management and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable. |
| 16. | a. According to the information and explanation given, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company. |
| | b. According to the information and explanation given, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company. |
| | c. According to the information and explanation given, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company. |
| | d. According to the information and explanation given, the Group has no CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company. |
| 17. | The company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to Rs. 52.85 lakhs and Rs. 60.69 lakhs respectively. |
| 18. | There is no resignation of statutory auditors during the year. |
| 19. | According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due. |
| 20. | According to the information and explanation furnished and as represented to us by the Company, section 135 of the Act is not applicable to the Company in the absence of adequate profits and accordingly, clause 3(xx)(a) and (b) of the Order is not applicable to the Company. |



21. The Company does not have any subsidiaries and consolidated financial statements is not applicable to the Company. Accordingly, the provisions of clause 3(xxi) of the said Order are not applicable.

For B. K. RAMADHYANI & CO LLP
Chartered Accountants
Firm Registration No. 002878S/S200021



Vasuki H S.
(CA Vasuki H S)

Partner

Membership No. 212013

UDIN: 23212013BGWLDX2435

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

Place: Bangalore
Date: May 9, 2023

ANNEXURE-B REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "KBL SERVICES LIMITED."

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 KBL Services Limited ("the Company") as of March 31, 2023 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 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". 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 ("the Act").

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 Act, 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 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 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, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For B. K. Ramadhyani & Co LLP
Chartered Accountants
Firm Registration No. 002878S/S200021



Vasuki H S

(CA Vasuki H S)
Partner

Membership No. 212013

UDIN: 23212013BGWLDX2435

Date: May 9, 2023

Place: Bangalore

B. K. RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.

KBL SERVICES LIMITED
CIN: U74900KA2020PLC135108
BALANCE SHEET AS AT MARCH 31, 2023
(All amounts in INR Lakhs except otherwise stated)

| Sl. No. | Particulars | Note No. | As at March 31, 2023 (Audited) | | As at March 31, 2022 (Audited) | |
|------------|--|----------|-----------------------------------|---------------|-----------------------------------|--------------|
| | | | Rs. | Rs. | Rs. | Rs. |
| I. | EQUITY AND LIABILITIES | | | | | |
| 1 | Shareholders' Funds | | | | | |
| (a) | Share capital | 3 | 150.00 | | 100.00 | |
| (b) | Reserves & surplus | 4 | (129.76) | | (74) | |
| | | | | 20.24 | | 26.31 |
| 2 | Non Current Liabilities | | | | | |
| (a) | Long term borrowings | | - | | - | |
| (b) | Deferred tax liability (Net) | | - | | - | |
| (c) | Other long term liabilities | | - | | - | |
| (d) | Long term provisions | 5 | 8.67 | 8.67 | - | - |
| 3 | Current Liabilities | | | | | |
| (a) | Short term borrowings | | - | | - | |
| (b) | Trade payables | | | | | |
| | i.) Total outstanding dues of micro enterprises and small enterprises | 6 | - | | - | |
| | ii.) Total outstanding dues of creditors other than micro enterprises and small enterprise | 6 | 1.62 | | 1.67 | |
| (c) | Other current liabilities | 7 | 70.56 | | 16.80 | |
| (d) | Short term provisions | 8 | 0.21 | | 0.76 | |
| | | | | 72.39 | | 19.23 |
| | TOTAL | | | 101.30 | | 45.54 |
| II. | ASSETS | | | | | |
| 1 | Non Current Assets | | | | | |
| (a) | Property, Plant and Equipment and Intangible Assets | 9 | | | | |
| | (i) Property, plant and equipment | | 11.05 | | 3.11 | |
| | (ii) Intangible assets | | 3.03 | | 3.18 | |
| | (iii) Capital work-in-progress | | - | | - | |
| | (iv) Intangible assets under development | | - | | - | |
| (b) | Non current investments | | - | | - | |
| (c) | Deferred tax assets (net) | | - | | - | |
| (d) | Long term loans and advances | | - | | - | |
| (e) | Other non-current assets | 10 | 6.26 | | 6.26 | |
| | | | | 20.34 | | 12.55 |
| 2 | Current Assets | | | | | |
| (a) | Current investments | | - | | - | |
| (b) | Trade receivables | 11 | 62.86 | | 20.16 | |
| (c) | Cash and cash equivalents | 12 | 4.17 | | 10.94 | |
| | Bank balances other than cash and cash equivalents | 12.1 | 6.00 | | - | |
| (d) | Short term loans and advances | | - | | - | |
| (e) | Other current assets | 13 | 7.93 | | 1.89 | |
| | | | | 80.96 | | 32.99 |
| | TOTAL | | | 101.30 | | 45.54 |

See accompanying notes 1 to 32 to the financial statements

In accordance with our Audit Report of even date

for B K Ramadhyani & Co. LLP

Chartered Accountants

Firm Registration Number: 0028785/S200021

Vasuki H S

CA VASUKI H S

Partner

Membership Number: 212013

Place: Bengaluru

Date: May 9, 2023



for and on behalf of Board of Directors of
KBL SERVICES LIMITED



K Gururaj Acharya

K GURURAJ ACHARYA

Director

DIN: 02952524

SEKHAR RAO

SEKHAR RAO

Non-Executive Chairman

DIN: 06830595

B K Manjunatha Bhat

B K MANJUNATHA BHAT

Chief Executive Officer

KBL SERVICES LIMITED
CIN: U74900KA2020PLC135108
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023
(All amounts in INR Lakhs except otherwise stated)

| Particulars | As at March 31, 2023 (Audited) | | As at March 31, 2022 (Audited) | |
|---|-----------------------------------|-------------|-----------------------------------|--------------|
| Cash flows from operating activities | | | | |
| Profit/(Loss) before taxation | | (56.08) | | (62.63) |
| Adjustment to reconcile profit / (loss) before tax to net cash flows: | | | | |
| Depreciation | 3.23 | 3.23 | 1.94 | 1.94 |
| Operating profit before working capital changes | | (52.85) | | (60.69) |
| Increase/ (decrease) in trade payables current liabilities and provisions | 61.83 | | 18.76 | |
| (Increase)/ decrease in long term loans and advances & other non-current assets | - | | (6.16) | |
| (Increase)/ decrease in short term loans and advances | 1.19 | | 1.30 | |
| (Increase)/ decrease in trade receivables | (42.70) | | (20.16) | |
| | | 20.32 | | (6.26) |
| Cash generated from operations | | (32.53) | | (66.95) |
| Direct taxes paid (net) | (7.23) | (7.23) | (1.63) | (1.63) |
| Net cash flow from operating activities (A) | | (39.76) | | (68.58) |
| Cash flows from investing activities | | | | |
| Purchase of Fixed Assets | (11.01) | | (7.17) | |
| (Increase)/decrease in other bank balances | (6.00) | (17.01) | - | (7.17) |
| Net cash flow (used in) investing activities (B) | | (17.01) | | (7.17) |
| Cash flows from financing activities | | | | |
| Proceeds from Issue of Shares | 50.00 | 50.00 | 50.00 | 50.00 |
| Net cash flow (used in) in financing activities (C) | | 50.00 | | 50.00 |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | | (6.77) | | (25.74) |
| Cash and cash equivalents at beginning of the year | | 10.94 | | 36.68 |
| Cash and cash equivalents as at March 31, 2023 | | 4.17 | | 10.94 |

Cash flow statement has been prepared under indirect method

In accordance with our Audit Report of even date
for B.K. Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration Number: 002878S/520082

CA VASUKI H S
Partner
Membership Number: 212013

Place: Bengaluru
Date: May 9, 2023



for and on behalf of Board of Directors of
KBL SERVICES LIMITED

K GURURAJ ACHARYA
Director
DIN: 02952524

SEKHAR RAO
Non-Executive Chairman
DIN: 06830595



B K MANJUNATH BHAT
Chief Executive Officer

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2023

(All amounts in INR Lakhs except otherwise stated)

| SL. No | Particulars | Note No. | For the year ended March 31, 2023 (Audited) | For the year ended March 31, 2022 (Audited) |
|--------|--|----------|---|---|
| (i) | Revenue from operations | 14 | 410.57 | 84.34 |
| (ii) | Other income | 15 | 0.75 | 0.82 |
| (iii) | TOTAL REVENUE (i+ii) | | 411.32 | 85.16 |
| (iv) | Expenses : | | | |
| | Employee benefits expenses | 16 | 427.49 | 125.26 |
| | Finance costs | 17 | - | - |
| | Depreciation and amortisation expense | 18 | 3.23 | 1.94 |
| | Other expenses | 19 | 36.68 | 20.58 |
| | TOTAL EXPENSES | | 467.40 | 147.78 |
| (v) | Profit/(Loss) before exceptional, extraordinary items & tax (iii-iv) | | (56.08) | (62.63) |
| (vi) | Exceptional items | | - | - |
| (vii) | Extraordinary items | | - | - |
| (viii) | Profit/(Loss) before tax (viii=v-vi-vii) | | (56.08) | (62.63) |
| (ix) | Tax Expense | | | |
| | Current tax | | - | - |
| | Deferred tax | | - | - |
| | Total tax expense | | - | - |
| (x) | Profit/(Loss) after tax (x=viii-ix) | | (56.08) | (62.63) |
| (xi) | Earning per share equity share (Face Value of Rs 10 per share) | | | |
| | Basic and Diluted EPS (in Rupees) | 21 | (4.07) | (7.16) |

See accompanying notes 1 to 32 to the financial statements
in accordance with our Audit Report of even date

for B.K. Ramadhyani & Co. LLP

Chartered Accountants

Firm Registration Number: 0028785/S200021

Vasuki H S

CA VASUKI H S

Partner

Membership Number: 212013

Place: Bengaluru

Date: May 9, 2023



for and on behalf of Board of Directors of
KBL SERVICES LIMITED

K GURURAJ ACHARYA
Director

DIN: 02952524

SEKHAR RAO

Non-Executive Chairman

DIN: 06830595



B K MANJUNATHA BHAT

Chief Executive Officer

1. Background

KBL Services Limited (the Company) is a non government unlisted public company limited by shares, incorporated on June 21, 2020 under the provisions of the Companies Act, 2013 with the object of engaging in Business Sourcing of banking products (like advances, CASA Deposit and non banking products), document collections and co-ordinations, conducting events for lead generations, contact center management, management of banking channels, back end processing activities for Karnataka Bank Limited (Holding Company).

2.1 Summary of significant accounting policies

a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on accrual basis unless otherwise stated, in accordance with the accounting principles generally accepted in India and comply in all material aspects with the mandatory Accounting Standards notified by the Central Government of India under relevant provisions of the Companies Act, 2013 and rules made thereunder, as amended from time to time.

b) Use of Estimates

The preparation of the said financial statements in conformity with the Accounting Standards (AS) requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively. Accounting estimates could change from period to period and have actual results could differ from those estimates.

c) Classification of Assets and Liabilities as Current and Non-Current:

All Assets and Liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Considering the nature of services rendered/to be rendered to its customer and time elapse between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

d) Property, Plant and Equipment and Depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Depreciation on fixed assets is provided on straight line method over the estimated useful lives of the assets as prescribed in Schedule II of the Companies Act 2013 on a pro-rata basis.

e) Cash and Cash equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Leases:

Where the Company is lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

g) Employee Benefits

Short-term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plans:

Provident Fund:

The Company will contribute to provident and pension funds which are defined contribution plans. The contributions which will be paid under the scheme will be recognised during the period in which employee renders the related service.



Defined Benefit Plans:

Gratuity:

Employees' gratuity will be defined benefit plan. The present value of the obligation under such plan will be determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses will be recognized immediately in the statement of profit and loss as income or expense. Obligation will be measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation.

Compensated absences and Leave entitlements:

Accumulated compensated absences, which are expected to be availed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Leaves are non-cumulative, for all contracts which are one year and less. As per Company's policy, leave encashment of available privilege/earned leave is allowed only at the time of exit of the member. For those whose work contract is beyond one year, the privilege leaves can be carried forward to the next year at the discretion of the reporting authority. Subject to that the carried forward leaves are to be availed for a maximum cap of 45 days, else it would lapse.

h) Earning per share

In determining Earnings per share, the entity considers the net earnings after tax.

Basic Earnings per Share

Basic earnings per share is computed by dividing the net profit or loss attributable to equity share holders by the weighted average number of equity shares outstanding during the period, after giving effect for events including bonus issue, share split, buy back of shares and rights issue to the share holders.

Diluted Earnings per Share

For computing diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Further the company has not issued any potential equity shares.

i) Provisions, Contingent Liabilities and Contingent Assets:

The company recognizes provisions for liabilities and expenditures existing as on the date of balance sheet for which an outflow of resources are probable as a result of past events and for which reliable estimates can be made, as required as per the provisions of AS 29 - "Provisions, Contingent Liabilities and Contingent Assets".

Further in case of any obligation, where outflow of resources is not probable, no provision is recognized but appropriate disclosure made as contingent liabilities unless the possibility of outflow is remote.

Provisions 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.

A Contingent Liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognizable because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

j) Income Tax:

i. Tax expense comprises both current and deferred taxes.

ii. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Provision for current income tax is made at the current tax rates based on assessable income.

iii. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than unabsorbed depreciation and tax losses carried forward, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

k) Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Further, the Company has entered into Master Service Agreement (MSA) with the Karnataka Bank (Holding Company) and the revenue shall be calculated as per terms agreed in MSA.



NOTE-3 : SHARE CAPITAL

| SL. No. | Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---------|--|----------------------|---------------|----------------------|---------------|
| | | Number | Rs. | Number | Rs. |
| | Authorised Capital | | | | |
| i) | Equity Shares of Rs.10 each | 25.00 | 250.00 | 10.00 | 100.00 |
| | | | 250.00 | | 100.00 |
| | Issued, Subscribed & Paid up Equity Share Capital | | | | |
| | Opening Issued, Subscribed & Paid up Equity Share Capital | 10.00 | 100.00 | 5.00 | 50.00 |
| | Issued during the year | 5.00 | 50.00 | 5.00 | 50.00 |
| | At the end of the year ended March 31, 2023 | 15.00 | 150.00 | 10.00 | 100.00 |

Other Information:

Terms and 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 vote as detailed below:

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

(c) in the month of June 2022, the company had issued 5,00,000 equity shares of Rs.10 each amounting to Rs 50,00,000 in ratio of 1:2 (i.e., one equity share for every two equity shares held) on rights basis to its existing members at par for cash), further the said 5,00,000 equity shares allotted on rights basis, shall rank pari passu with the existing equity shares of the Company and shall be entitled to dividend and all corporate benefits, if any, declared by the Company.

In event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

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

| A) Details of shareholders holding more than 5% shares in Company: | | As at March 31, 2023 | | As at March 31, 2022 | |
|--|---------------|----------------------|---------------|----------------------|--|
| Name of Shareholder | No. of Shares | Percentage | No. of Shares | Percentage | |
| Equity shares of Rs.10 each fully paid | 15.00 | 100.00% | 10.00 | 100.00% | |
| Karnataka Bank Limited (Including legal and beneficial ownership of 6 equity shares) | | | | | |

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

NOTE- 4: RESERVES & SURPLUS

Surplus/(deficit) in the statement of Profit and Loss

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--|-----------------------------------|-----------------------------------|
| Opening balance | (73.69) | (11.06) |
| Profit/(Loss) for the year as per the statement of profit and loss | (56.08) | (62.63) |
| Closing balance | (129.77) | (73.69) |
| Total | (129.77) | (73.69) |

NOTE- 5: LONG TERM PROVISIONS

- i) Provision for employee benefits- Gratuity & Leave encashment
TOTAL

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--------------|-----------------------------------|-----------------------------------|
| | 8.67 | 0.00 |
| TOTAL | 8.67 | 0.00 |

NOTE- 6: TRADE PAYABLES

- Trade Payable
i) - Total outstanding dues of micro enterprises and small enterprises
ii) - Total outstanding dues of creditors other than micro enterprises and small enterprises
TOTAL

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--------------|-----------------------------------|-----------------------------------|
| | 1.62 | 1.67 |
| TOTAL | 1.62 | 1.67 |

The Company has initiated the process of obtaining confirmation from suppliers regarding their registration under the Micro, Small and Medium Enterprises Development Act, 2006. The suppliers are not registered wherever confirmations are received and in other cases, the Company is not aware of their registration status. Hence, information relating to outstanding balances or interest due is not disclosed as it is not determinable.

Trade Payable Ageing Schedule:

March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 1.62 | - | - | - | 1.62 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

NOTE- 7: OTHER CURRENT LIABILITIES

- i) Statutory dues payable
ii) Employee dues
iii) Other payables
TOTAL

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--------------|-----------------------------------|-----------------------------------|
| | 14.82 | 3.58 |
| | 53.80 | 13.07 |
| | 1.94 | 0.15 |
| TOTAL | 70.56 | 16.80 |

NOTE- 8: SHORT TERM PROVISIONS

- i) Provision for employee benefits- Gratuity & Leave encashment
TOTAL

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--------------|-----------------------------------|-----------------------------------|
| | 0.21 | 0.76 |
| TOTAL | 0.21 | 0.76 |



KBL SERVICES LIMITED
CIN: U74900KA2020PLC135108
Notes to Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs except otherwise stated)

NOTE 9 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block | |
|---|----------------|---------------|-----------|----------------|--------------------------|---------------|-----------|----------------|----------------|----------------|
| | April 01, 2022 | Additions | Deletions | March 31, 2023 | April 01, 2022 | Additions | Deletions | March 31, 2023 | March 31, 2023 | March 31, 2022 |
| A. Property, Plant & Equipment | | | | | | | | | | |
| a) Computer | 2.89 | 6.57 | - | 9.46 | 0.72 | 1.23 | - | 1.95 | 7.52 | 2.17 |
| Previous year | (0.75) | (2.14) | - | (2.89) | (0.05) | (0.67) | - | (0.72) | (2.17) | (0.70) |
| b) Office equipment | 0.39 | 1.21 | - | 1.60 | 0.06 | 0.10 | - | 0.16 | 1.44 | 0.33 |
| Previous year | - | (0.39) | - | (0.39) | - | (0.06) | - | (0.06) | (0.33) | - |
| c) Furniture & Fittings | 0.64 | 1.82 | - | 2.46 | 0.03 | 0.33 | - | 0.36 | 2.09 | 0.61 |
| Previous year | - | (0.64) | - | (0.64) | - | (0.03) | - | (0.03) | (0.60) | - |
| Current year total | 3.92 | 9.60 | - | 13.52 | 0.81 | 1.67 | - | 2.48 | 11.05 | 3.11 |
| Previous year total | (0.75) | (3.17) | - | (3.92) | (0.05) | (0.76) | - | (0.81) | (3.11) | (0.70) |
| B. Intangible assets | | | | | | | | | | |
| Softwares | 4.38 | 1.41 | - | 5.79 | 1.20 | 1.56 | - | 2.76 | 3.03 | 3.18 |
| Previous year | (0.38) | (4.00) | - | (4.38) | (0.02) | (1.18) | - | (1.20) | (3.18) | (0.36) |
| Current year grand total | 8.30 | 11.01 | - | 19.31 | 2.01 | 3.22 | - | 5.23 | 14.08 | 6.29 |
| Previous year grand total | (1.13) | (7.17) | - | (8.30) | (0.07) | (1.94) | - | (2.01) | (6.29) | (1.06) |



KBL SERVICES LIMITED
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Notes to Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs except otherwise stated)

NOTE-10: OTHER NON-CURRENT ASSETS

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|-------------------------------|-----------------------------------|-----------------------------------|
| Unsecured and considered good | | |
| i) Capital advance | - | - |
| ii) Security deposit | 6.26 | 6.26 |
| TOTAL | 6.26 | 6.26 |

NOTE 11 : TRADE RECEIVABLES

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|----------------------------|-----------------------------------|-----------------------------------|
| i) Trade receivables | - | - |
| ii) Due from related party | 62.86 | 20.16 |
| TOTAL | 62.86 | 20.16 |

Break-up for security details:

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--|-----------------------------------|-----------------------------------|
| Unsecured, considered good | 62.86 | 20.16 |
| Doubtful | - | - |
| Less: Provision for bad and doubtful debts | - | - |
| Total | 62.86 | 20.16 |

Trade Receivable Ageing Schedule:
March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|-------------|-------------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | - | - | - | - | - |
| (ii) Due from Related Party - Undisputed and considered good | 62.86 | - | - | - | - | 62.86 |
| (iii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iv) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (v) Disputed Trade Receivables–considered good | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vii) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |

NOTE-12: CASH & CASH EQUIVALENTS

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--|-----------------------------------|-----------------------------------|
| Balances with banks: | | |
| – On current accounts | 0.17 | 10.94 |
| – Deposit with bank whose maturity is 3 months or less | 4.00 | - |
| Cash on hand | - | - |
| TOTAL | 4.17 | 10.94 |

NOTE-12.1 : OTHER BANK BALANCES

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--|-----------------------------------|-----------------------------------|
| Balances with banks: | | |
| – Fixed Deposits with maturity for less than 12 months | 6.00 | - |
| TOTAL | 6.00 | - |

Bank balances earn interest based on bank deposit rates. Deposits are made for varying periods depending on the cash requirements of the Company and earn interest at the respective bank deposit rates.

NOTE-13: OTHER CURRENT ASSETS

| | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Prepaid expenses | 0.34 | 0.26 |
| Interest accrued on fixed deposit | 0.09 | - |
| Tax deducted at source | 7.23 | 1.63 |
| Other assets | 0.27 | 0.00 |
| TOTAL | 7.93 | 1.89 |



KBL SERVICES LIMITED
CIN: U74900KA2020PLC135108
Notes to Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs except otherwise stated)

NOTE-14 :REVENUE FROM OPERATIONS

Revenue from operations
TOTAL

| Year ended March 31, 2023 (Audited) | Year ended March 31, 2022 (Audited) |
|---|---|
| 410.57 | 84.34 |
| 410.57 | 84.34 |

NOTE 15 :OTHER INCOME

Interest income on FD
Interest on IT Refund
TOTAL

| Year ended March 31, 2023 (Audited) | Year ended March 31, 2022 (Audited) |
|---|---|
| 0.69 | 0.82 |
| 0.06 | 0.00 |
| 0.75 | 0.82 |

NOTE-16 :EMPLOYEE BENEFIT EXPENSES

Salary and wages
Contribution to provident and other funds
Gratuity & Leave encashment
Employee benefit expenses
Hiring Cost
TOTAL

| Year ended March 31, 2023 (Audited) | Year ended March 31, 2022 (Audited) |
|---|---|
| 391.09 | 115.31 |
| 18.54 | 5.22 |
| 8.38 | 0.76 |
| 7.94 | 2.97 |
| 1.54 | 1.00 |
| 427.49 | 125.26 |

NOTE-17: FINANCE COST

Bank Charges, commission and others
TOTAL

| Year ended March 31, 2023 (Audited) | Year ended March 31, 2022 (Audited) |
|---|---|
| - | - |
| - | - |

Note-18: DEPRECIATION AND AMORTISATION EXPENSES

Depreciation on tangible assets
Amortisation on intangible assets

| Year ended March 31, 2023 (Audited) | Year ended March 31, 2022 (Audited) |
|---|---|
| 1.67 | 0.76 |
| 1.56 | 1.18 |
| 3.23 | 1.94 |

NOTE-19: OTHER EXPENSES

- a) Rent expenses
- b) Sitting fees paid to directors
- c) Payment to the auditors
- as auditor
- d) Rates and taxes
- e) Professional charges
- f) Power and fuel
- g) Water charges
- h) Travelling expenses
- i) Other expenses

Total

| Year ended March 31, 2023 (Audited) | Year ended March 31, 2022 (Audited) |
|---|---|
| 12.31 | 11.82 |
| 3.30 | 1.20 |
| 0.95 | 0.60 |
| 1.29 | 0.45 |
| 2.84 | 1.92 |
| 3.41 | 0.10 |
| 0.03 | 0.03 |
| 6.06 | 1.12 |
| 6.49 | 3.35 |
| 36.68 | 20.59 |



KBL Services Limited
CIN: U74900KA2020PLC135108
Notes to Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs except otherwise stated)

Ratio Analysis for the year ended March 31, 2023

20 Details of Key Ratios:

| Sl No | Ratios | Mar-23 | | | Mar-22 | | | Variance % | Reasons for variance |
|-------|----------------------------------|-----------|-------------|--------|-----------|-------------|--------|------------|--|
| | | Numerator | Denominator | Ratio | Numerator | Denominator | Ratio | | |
| 1 | Current Ratio | 80.96 | 72.39 | 1.12 | 32.99 | 19.23 | 1.72 | -34.81% | While there has been a slight decrease in the ratio as compared to the previous year's ratio, due to an increase in the number of other current liabilities and short term provisions. Hence the variance. |
| 2 | Debt-equity Ratio | - | - | - | - | - | - | - | There are no borrowings made by the company; hence debt equity ratio is not applicable. |
| 3 | Debt service coverage ratio | - | - | - | - | - | - | - | There are no borrowings made by the company; hence debt service coverage ratio is not applicable. |
| 4 | Return on Equity | (56.08) | 125.00 | (0.45) | (62.63) | 75.00 | (0.84) | -46.27% | Operations were improved when compared to the previous year. Hence the variance. |
| 5 | Inventory turnover ratio | - | - | - | - | - | - | - | The Company is a service rendering company; hence return on inventory ratio is not applicable. |
| 6 | Trade receivables turnover ratio | 410.57 | 41.51 | 9.89 | 84.34 | 20.16 | 4.18 | 136.42% | The revenue generated from operations has increased compared to the previous year, hence the ratio has improved. |
| 7 | Trade payables turnover ratio** | - | - | - | - | - | - | - | The Company is a service rendering company; therefore there is no purchases. Hence not applicable. |
| 8 | Net capital turnover ratio | 410.57 | 8.57 | 47.91 | 84.34 | 13.76 | 6.13 | 681.61% | Operations were improved during the year. Hence the variance. |
| 9 | Net Profit Margin | (56.08) | 410.57 | (0.14) | (62.63) | 84.34 | (0.74) | -81.61% | Operations were improved during the year. Hence the variance. |
| 10 | Return on Capital Employed | (56.08) | 20.24 | (2.77) | (62.63) | 26.31 | (2.38) | 16.40% | As a result of increased business activities, the losses have decreased. Hence the ratio has improved marginally. |
| 11 | Return on investment | - | - | - | - | - | - | - | There are no investments held by the Company; hence return on investment ratio is not applicable. |

Note on Ratios:

- 1 Current ratio = Current assets / Current liabilities
- 2 Debt-equity Ratio = Total Debt / Total equity
Total Debt = Borrowings (current and non-current) and lease liabilities (current and non-current)
- 3 Debt service coverage ratio = Earnings available for debt service / Debt Service.

Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
Debt service = Interest & Lease Payments + Principal Repayments
"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income
- 4 Return on equity ratio = Net Profits after taxes - Preference Dividend / Average Shareholder's Equity
- 5 Inventory turnover ratio = Sales / Average Inventory
- 6 Trade receivables turnover ratio = Net Credit Sales / Average Accounts Receivable
- 7 Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables
**Total creditors above includes creditors for services and others related expenses also.
- 8 Net capital turnover ratio = Net Sales / Working Capital.
Working Capital = Current Assets - Current liabilities
- 9 Net profit ratio = Net Profit after taxes / Net Sales
- 10 Return on capital employed = Earning before interest and taxes / Capital Employed
Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- 11 Return on investment
ROI = (Current Value of Investment - Cost of investment) / Cost of investment



KBL Services Limited
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Notes to Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs except otherwise stated)

21 Earnings per share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and number of equity shares data used in the basic and diluted EPS computations:

| Particulars | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|--|-----------------------------------|-----------------------------------|
| Profit after tax | (56.08) | (62.63) |
| Weighted average number of equity shares for basic EPS | 13.79 | 8.75 |
| Effect of dilution: Stock options granted under ESOP | - | - |
| Weighted average number of equity shares adjusted for the effect of dilution | 13.79 | 8.75 |
| Basic and Diluted EPS (in Rupees) | (4.07) | (7.16) |

22 Employee benefits

a. Details of contribution to defined contribution plans

| Particulars | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| Employer's contribution to Provident Fund | 9,38,477 | 3,16,565 |

b. Defined Benefit Plan

Employees' gratuity and leave encashment are defined benefit plans. The present value of the obligation under such plan has been determined based on completed service at the end of the year on accrual basis. Employees' gratuity and leave encashment have been provided based on actuarial valuation.

The following table sets out the disclosure requirement as per the Accounting Standard 15 "Employee Benefits"

Reconciliation of opening and closing balances of defined benefit obligation in respect of Gratuity:

| Particulars | Gratuity | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| I) Change in benefit obligation: | | |
| Defined benefit obligation, beginning of the year | - | - |
| Service Cost | 6,29,565 | - |
| Interest Cost | - | - |
| Liability Transferred In/(Out) | - | - |
| Actuarial loss/(gain) | - | - |
| Benefits paid | - | - |
| Defined benefit obligation, end of the year | 6,29,565 | - |
| Current Liability | 637 | - |
| Non Current Liability | 6,28,928 | - |
| II) Change in plan assets: | | |
| Fair value of plan assets, beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Employer's contributions | - | - |
| Benefit paid | - | - |
| Actuarial gain/(loss) | - | - |
| Fair value of plan assets at the end of the year | - | - |



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| III) Components of cost for the year ended March 31, 2023: | | | |
|--|----------|--------------------|--------------------|
| Service cost | 6,29,565 | - | |
| Interest on defined benefit obligation | - | - | |
| Expected return on plan assets | - | - | |
| Net actuarial (gain)/loss recognized in the year | - | - | |
| Net gratuity and other cost | | | |
| | | | |
| IV) Assumptions used in accounting for the plan: | | March 31, 2023 | March 31, 2023 |
| Mortality rate | | IALM(2012-14) Ult. | IALM(2012-14) Ult. |
| Discount rate | | 7.53% | - |
| Salary escalation rate | | 8% | - |
| Attribution Rate | | 10% | - |
| Expected rate of return on plan assets | | - | - |

Details of Experience Adjustments in respect of Gratuity Liability:

| Particulars | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|---------|---------|---------|---------|---------|
| Defined Benefit Obligation | - | - | - | - | - |
| Plan Assets | - | - | - | - | - |
| Surplus/(Deficit) | - | - | - | - | - |
| Experience adjustments on Plan Liabilities | - | - | - | - | - |
| Experience adjustments on Plan Assets | - | - | - | - | - |

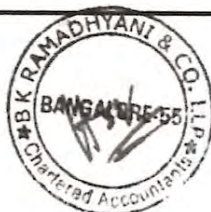
Reconciliation of opening and closing balances of defined benefit obligation in respect of leave encashment:

| Particulars | 2022-23 | 2021-22 |
|---|----------|---------|
| Components of Employer expense | - | - |
| Present Value of Defined Benefits Obligation At Beginning (Opening) | 2,59,299 | - |
| Present Value of Defined Benefits Obligation At Beginning (Closing) | 2,59,299 | - |
| Net Increase in Liability over the valuation period | - | - |
| Benefit payments from employer | - | - |
| Benefits Pay-outs from plan | - | - |
| Cost of Termination Benefits/Acquisitions/Transfers | - | - |
| less actual return on Plan assets | - | - |
| Defined Benefits cost included in P&L | 2,59,299 | - |

Movement for provision for Compensated Absence :

| Particulars | 2022-23 | 2021-22 |
|--------------------------------------|----------|---------|
| Balance at the beginning of the year | - | - |
| Amount Provided for the year | - | - |
| Amount Paid during the year | - | - |
| Liability Transferred In/(Out) | - | - |
| Balance at the end of the year | 2,59,299 | - |
| Non Current Liabilities | 2,38,530 | - |
| Current liabilities | 20,769 | - |

| IV) Assumptions used in accounting for the plan: | | 2022-23 | 2021-22 |
|--|--|--------------------|--------------------|
| Mortality rate | | IALM(2012-14) Ult. | IALM(2012-14) Ult. |
| Discount rate | | 7.53% | - |
| Expected rate of return on assets | | 0.00% | - |
| Salary escalation rate | | 8.00% | - |
| Attrition Rate | | 10.00% | - |



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(All amounts in INR Lakhs except otherwise stated)

23 Commitments and contingencies

There were no commitments and contingencies as at March 31, 2023.

24 Related party disclosures:

| Name of the Related Parties | Relationship |
|---|-------------------------|
| Balebail Rajagopal Ashok | Director |
| Rammohan Belle Rao | Director |
| Mythily Ramesh | Director |
| Mavinakudige Subramanyabhata Mahabaleshwara | Director |
| G C Rangan | Director |
| K Gururaj Acharya | Director |
| B K Manjunatha Bhat | Chief Executive Officer |
| Karnataka Bank Limited | Holding Company |

Details of Transactions:-

| Nature of Transaction | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|---|-----------------------------------|-----------------------------------|
| <u>Due from Related party</u> | | |
| -Karnataka Bank Limited (Trade receivables) | 62.86 | 20.16 |
| -Karnataka Bank Limited (Balances with Bank- Current Account) | 0.17 | 10.94 |
| -Karnataka Bank Limited (Fixed Deposits) | 10.00 | - |
| -Karnataka Bank Limited (Accrued Interest receivable) | 0.09 | - |
| <u>Fixed Deposit made during the period</u> | | |
| -Karnataka Bank Limited (Balances with Bank) | 36.00 | 30.00 |
| <u>Fixed Deposit withdrawn during the period</u> | | |
| -Karnataka Bank Limited (Balances with Bank) | 26.00 | - |
| <u>Purchase of Fixed Asset</u> | | |
| -Karnataka Bank Limited | - | 0.14 |
| <u>Director's sitting fees</u> | | |
| - Mr. Rammohan Belle Rao | 1.00 | 0.40 |
| - Mrs. Mythily Ramesh | 1.00 | 0.40 |
| - Mr. Balebail Rajagopal Ashok | 1.00 | 0.40 |
| - Mr. G C Rangan | 0.30 | - |
| <u>Incomes</u> | | |
| -Revenue from operations | 410.57 | 84.34 |
| -Interest Income | 0.69 | 0.82 |
| <u>Remuneration paid</u> | | |
| B K Manjunatha Bhat | 33.30 | 27.00 |
| <u>Subscription to shares of the Company</u> | | |
| -Karnataka Bank Limited | 50.00 | 50.00 |
| <u>Expenditure</u> | | |
| -Karnataka Bank Limited (Rental expenses) | - | 8.75 |
| <u>Bank Charges</u> | | |
| -Karnataka Bank Limited | 0.05 | - |



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(All amounts in INR Lakhs except otherwise stated)

25 Deferred Tax Asset :

| On account of | As at March 31, 2023 (Audited) | As at March 31, 2022 (Audited) |
|---|-----------------------------------|-----------------------------------|
| Deferred Tax Liability : | | |
| On account of timing differences in recognition of depreciation | (0.20) | (0.15) |
| Deferred Tax Asset : | | |
| Expenses Disallowed under IT Act, eligible for claim in year of payment and deduction under Section 35D | 0.86 | 1.50 |
| Leave Encashment provision | 2.24 | 0.19 |
| Carry forward Income tax losses | 29.82 | 17.61 |
| Net Deferred tax assets/(liability) | 32.72 | 19.15 |

The company has commenced its operations from June 21, 2020 and is in the process of establishing and stabilising its operations. In the absence of reasonable certainty regarding sufficient future taxable income being available against which such deferred tax assets can be realised, no deferred tax is being recognised during the year.

- 26** The Company does not have any pending litigations which would impact its financial position as on the reporting date.
- 27** The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable
- 28** There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the reporting

29 Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company does not have any borrowings from banks and financial institutions that are secured on the basis of current assets.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under section 2(87) the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned any invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Valuation of Property, Plant and Equipment, intangible asset and investment property

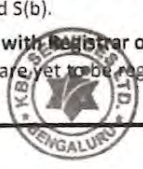
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

The Company does not own any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee, except in the case of leasehold land taken during the year wherein the re-registration of the lease is pending). Refer note S(a) and S(b).

(xii) Registration of charges or satisfaction of charges with Registrar of Companies

There are no charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.



KBL Services Limited

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Notes to Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs except otherwise stated)

- 30 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 31 No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 32 Previous year's figures have been regrouped wherever necessary in conformity with current year presentation.

See accompanying notes 1 to 32 to the financial statements
In accordance with our Audit Report of even date

for B K Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/S2000011

Vasuki H S
CA VASUKI H S
Partner
Membership No.: 212013



Place: Bengaluru
Date: May 9, 2023

for and on behalf of Board of Directors of
KBL SERVICES LIMITED

K Gururaj Acharya
K GURURAJ ACHARYA
Director
DIN: 02952524



Sekhar Rao
SEKHAR RAO
Non-Executive Chairman
DIN: 06830595

B K Manjunatha Bhat
B K MANJUNATHA BHAT
Chief Executive Officer