



Kanone Technologies Limited

GST: 32AAJCK0646C1Z0 | CIN : U74999KL2021PLC071243

NOTICE

Notice is hereby given that the Third Annual General Meeting of the Members of the Company will be held on **Monday, 30th September 2024** at 11.00 AM at the Company's registered office at **B4(1), 46/2678, Kaniyappilly Road, Chakkaraparambu, Vennala P.O., Ernakulam - 682028, Kerala, India** to transact the following Ordinary and Special Business:

Ordinary Business

1. Adoption of Annual Accounts:

To consider, and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Balance Sheet of the Company as at 31 March 2024, the Statement of Profit and Loss of the Company for the year ended on that date, the Cash Flow Statement, the Notes to Accounts along with the Boards' Report and the Auditors' Report (including all Annexures), be and are hereby approved and adopted."

2. Appointment Of Statutory Auditor:

To consider, and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT subject to the Provisions of Section 139, 142 of the companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, **M/s. PSV Jain and Associates, Chartered Accountants (FRN: 131505W)**, be and are hereby appointed as the statutory auditor of the company, to hold office from the conclusion of 3rd Annual General Meeting, for single Term of 5 years, at such remuneration plus applicable taxes, and out of pocket expenses, as may be Mutually Agreed.

"FURTHER RESOLVED THAT any of the Board of Directors, be and is, hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters, and things as may be necessary, proper, expedient, or incidental for giving effect to this resolution and to file necessary e-forms with Registrar of Companies."

Special Business

3. Adoption of Terms of appointment of Managing Director

To consider, and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Subject to the provisions of Section 196, 203 of the Companies Act, 2013 read with relevant rules, consent of members be and are hereby accorded for the adoption of terms of appointment for Managing Director."



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"FURTHER RESOLVED THAT any of the Board of Directors, be and is, hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters, and things as may be necessary, proper, expedient, or incidental for giving effect to this resolution and to file necessary e-forms with Registrar of Companies."

BY ORDER OF THE BOARD OF DIRECTORS
KANONE TECHNOLOGIES LIMITED

Sruthi Muhammed Ali
Managing Director
DIN: 09237016



DATE: 11th September 2024
PLACE: Ernakulam



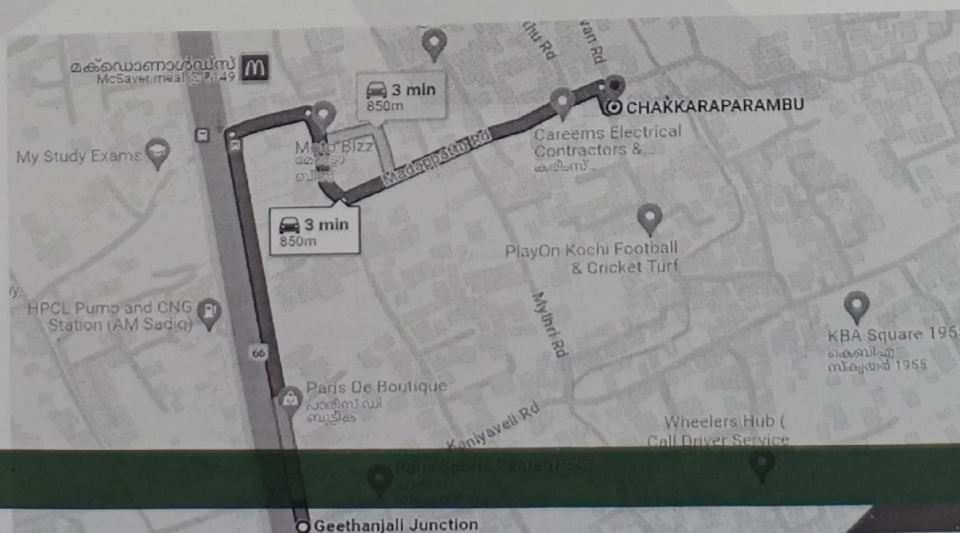
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NOTE-

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at Registered office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/proxies attending the meeting are requested to bring their duly filled admission/ attendance slips sent along with the notice of annual general meeting at the meeting. 6. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting

ROUTE MAP



Registered Office : B4(1), 46/2678, Kaniyapilly Road, Chakkarakarambu, Vennala P.O, Ernakulam, Kerala, 682028
Branch Offices : Pune : S. No. 22/1/1 Office No. 203 CTS No 5401, Green Center, Thergaon, Chinchwad, Pune, Maharashtra - 411033
New Delhi : Office premise No. 1111A, Indra Prakash Building, Barakhamba Road, New Delhi - 110001
Contact : +91 74200 10525/ 0484 - 2916502 | E-mail: admin@kanone.in.



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Explanatory Statement as required under Section 102 of the Companies Act, 2013

Special Business

Adoption of Terms of appointment of Managing Director

Mrs. Sruthi Muhammed Ali has been appointed as a Managing Director of the company Since the date of Incorporation that is 29th September, 2021.

In initial years with the aim to expand the business and profitability of company has not paid any remuneration any director including Managing Director. Now, the company has done exceedingly well in the past few years thereby board has decided to give remuneration to Managing Director and adopt the terms of Appointment in the ensuing Annual General Meeting, which got effective from 01.04.2024.

BY ORDER OF THE BOARD OF DIRECTORS
KANONE TECHNOLOGIES LIMITED



Sruthi Muhammed Ali
Managing Director
DIN: 09237016

DATE: 11th September 2024
PLACE: Ernakulam



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Director's Report

To,

The Members,

Kanone Technologies Limited

B4(1), 46/2678, Kaniyapilly Road, Chakkaraparambu Vennala

P.O Ernakulam, Vennala, Ernakulam, Ernakulam, Kerala, India, 682028

Your directors have pleasure in presenting their Third Annual Report and the Audited Statement of Financial Accounts for the financial year ended 31 March 2024.

FINANCIAL HIGHLIGHTS

(Amounts in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total Income	43,258.45	25,703.05
Total Expenditure	42,424.33	25,233.69
Profit before tax and prior period items	834.13	469.36
Prior period expenses / (income), net	0.14	
Profit before tax	833.99	469.36
Tax Expense		
Current Tax	202.87	106.81
Deferred tax charge/ (credit)	(0.12)	(0.23)
Prior year taxes	24.16	-
Net profit/(loss) after tax/ deferred tax	607.09	362.78

REVIEW OF OPERATIONS/ STATE OF AFFAIRS

The Company was incorporated on 29 September 2021 as a Private Limited Company. The Company is incorporated to carry on the business of exporters, importers, buyers, distributors, sellers of Technology associated with different types of electronics products and components and customized technology applications as per requirements.

The Company has done exceedingly well in the past few years thereby the Board of directors considering the expansion of business activities and for that require additional capital, it would be appropriate to convert the Company into the Public Limited Company to make the company enable for public investments and to obtain privileges which are available to the Public Limited Companies under the Companies Act, 2013 which would help the company to grow efficiently & economically. Consequently, Company got Converted into Public Limited Company with effect from 28 June, 2024.

The Company has earned income of Rs. 43,258.45 Lakhs for the financial year ended 31 March 2024 compared to Rs. 25,703.05 Lakhs for the previous year ended 31 March 2023. The Net profit of the Company has increased and stood at Rs. 607.09 for the year ended 31 March 2024 as compared to Rs 362.78 Lakhs for the previous year ended 31 March 2023.

OUTLOOK

The Company expects similar or more growth in its business in forthcoming years.

SHARE CAPITAL

During the year under review following changes have been made: -

In the Authorised Share Capital

As on 11 December 2023, Authorised Share Capital of our Company has been increased from ₹1,00,00,000 (Rupees One crores) consisting of 10,00,000 (Ten lakhs) Equity Shares of ₹10 each to ₹2,05,00,000 (Rupees Two crores Five lakhs) consisting of 20,50,000 (Twenty lakhs Fifty thousand) Equity Shares of ₹10 each.

Further as on 27 March 2024, Authorised Share Capital of our Company has been increased from ₹2,05,00,000 (rupees Two crores Five lakhs) consisting of 20,50,000 (Twenty lakhs Fifty thousand) Equity Shares of ₹10 each to ₹2,50,00,000 (rupees Two crores Fifty lakhs) consisting of 25,00,000 (Twenty-five lakhs) Equity Shares of ₹10 each.

In the Paid- up Share capital

As on 18 January 2024, Paid-up Share Capital has been increased by Right issue of 10,41,000 Shares of Rs. 10 Each.

Further as on 28 March 2024, Paid-up Share Capital has been increased by Right issue of 50,000 Shares of Rs. 10 Each.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments affecting the Financial Position of the company occurred subsequent to the close of the financial year as on 31 March 2024 and on the date of the Board's Report.

BOARD MEETINGS

The Board of Directors met 12 (Twelve) times during the year under review. The maximum gap between any two Board Meetings was less than One Hundred and Twenty days.

GENERAL MEETING

During the year under review Four (4) Extra Ordinary General Meeting was held on respective dates 11.12.2023, 10.01.2024, 14.03.2024 & 27.03.2024 and the Annual General Meeting was held on 30 September 2023 for the financial year ended 31 March 2023.

CHANGE IN NATURE OF BUSINESS

The Company has not made any changes in its business activity during the year under review.

Except as on 20 December, 2023 there is addition of clause no. 4 to the main objects in the Memorandum of Association was inserted as follows:

"4. To carry on in India and abroad the business to trade, buy, sell, import, export, stock or otherwise deal in all kinds of Silica Quartz including but not limited to Silica Powder, Silica Granuels, Quartz Lumps, Quartzite, Frac Sand, Natural Silica Sand, Ramming Mass, Crystal Quartz, Rose Quartz, broad spectrum quartz, sand, minerals, ores, stones and all such natural material made from high purity sandstones used for Glass Manufacturing, Optical Products and such other products."

DIVIDEND

No dividend payout to the shareholders has been recommended by the Board of Directors of the Company for the current year.

TRANSFER TO RESERVE

The Company has not transferred any amount to General Reserves during the current year.

CHANGE IN DIRECTORSHIP/ KEY MANAGERIAL PERSONNEL

The Board comprised of the following Directors as on March 31, 2023:

1. Mr. Faizal Bavaraparambil Abdul Khader
2. Mrs. Sruthi Muhammed Ali

During the reporting period, following appointments have been made: -

Designation	Name	Date of Appointment
Non- Executive Director	Sayeeda Beevi Muhammad	14/03/2024
Chief Financial Officer	Ambily George	18/03/2024
Company Secretary	Shalu Gupta	18/03/2024

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND THEIR PERFORMANCE

The Company has no subsidiary/Joint Ventures / Associate Companies as prescribed under the Companies Act, 2013.

DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 the Act') during the financial year.

STATUTORY AUDITORS

During the under review, Casual Vacancy has been created in the office of Statutory Auditor due to resignation of M/s. J. Krishnan & Co., Chartered Accountants (ICAI Firm Registration Number: 001524S), on 18th March, 2024.

So, Pursuant to Section 139(8) of Companies Act, M/s. Sumit Ranka & Associates Chartered Accountants (ICAI Firm Registration Number: 147837W), has been appointed as the Statutory Auditors of the Company with effect from 27th March, 2024 to fill up the casual vacancy who holds office up to the ensuing Annual General meeting.

Further, casual vacancy has been created in the office of Statutory Auditor due to resignation of M/s. Sumit Ranka & Associates, Chartered Accountants (ICAI Firm Registration Number: 147837W), on 31st August, 2024.

So, Pursuant to Section 139(8) of Companies Act, M/s. PSV Jain and Associates Chartered Accountants (ICAI Firm Registration Number: 131505W), has been appointed as the Statutory Auditors of the Company with effect from 01st September 2024 to fill up the casual Vacancy who holds office up to the ensuing Annual General Meeting.

AUDITORS' REPORT

The Auditors Report appended to the financial statements for the financial year 2023-2024 is self-explanatory. There is no adverse remark in the Auditor's Report, which needs explanation from the Board of Directors.

DETAILS IN RESPECT OF FRAUD'S REPORTED BY AUDITORS UNDER SUB SEC 12 OF SECTION 143

The Auditors have not reported cases with respect to material frauds in its audit report as there were no such cases requiring reporting in Audit Report.

EXTRACT OF THE ANNUAL RETURN

As per the requirement of Section 92(3) of the Companies Act, 2013, the annual return of the Company is placed on the website of the Company at www.kanone.in.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

The steps taken or impact on conservation of energy	Nil
The steps taken by the company for utilising alternate sources of energy	Nil
The capital investment on energy conservation equipment's	Nil

B) Technology absorption:

The efforts made towards technology absorption	Nil
The benefits derived like product improvement, cost reduction, product development or import substitution etc.	Nil
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) ---	Not applicable
The details of technology imported	Not applicable
Year of Import	Not applicable
whether the technology been fully absorbed	Not applicable
If not fully absorbed, areas where has not taken place, reasons thereof.	Not applicable
The expenditure incurred on Research and Development	Not applicable

C) Foreign exchange earnings and Outgo:

(Rupees in Lakhs)

Particulars	31 March 2024	31 March 2023
Foreign Exchange earnings	486.22	302.00
Foreign Exchange Outgo	Nil	Nil

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans, guarantees or made any investment during the period under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contract or arrangements with related parties referred to in Section 188 (1) are given in Form AOC 2 and enclosed as Annexure I to this Report.

RISK MANAGEMENT POLICY

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. The Management of the Company reviews the risk management and mitigation plan from time to time.

INTERNAL FINANCIAL CONTROL

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 2024, 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. Management of the company has very cordial relations with their personnel and outsiders in respect of business of the company. Internal control system is reviewed by the management at reasonable intervals to ensure the efficient working of the control system.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

However, our net profit has reached the threshold limit as prescribed under section 135 of Companies Act, 2013 with net profit of 6.07 crores in the financial year 2023-2024 resulting we shall be liable for the CSR expenditure in the upcoming financial year in accordance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rule, 2014.

DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the financial year under review, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable.

EMPLOYEES

The particulars required pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, in respect of employee's remuneration, are not applicable to the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no orders passed by the regulators or courts or tribunals during the period under review impacting the going concern status and company's operations in future.

DISCLOSURE REGARDING COST RECORDS

The Central Government of India has not specified the maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013, for any of the products of the Company during the year under review.

COST AUDIT

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is not required to have the audit of its cost records and accordingly no further details are required to be given under this para.

SECRETARIAL STANDARDS

Based on the details and information available, the Directors state that applicable Secretarial Standards, i.e. SS-I and SS-2, relating to Meetings of the Board of Directors and General Meetings respectively, issued by Institute of Company Secretaries of India have been duly followed by the Company.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016

No application was made and/or any proceeding is pending under the Insolvency and Bankruptcy code, 2016.

DIFFERENCE OF AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANK(S) OR FINANCIAL INSTITUTION

During the year under review, no settlement(s) have been done with Bank(s) or Financial Institution(s).

DIRECTORS' RESPONSIBILITY STATEMENT

In Pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors wishes to place on record their appreciation for the sincere and dedicated efforts of all employees. Your directors would also like to thank the Shareholders, Bankers and other Business associates for their sustained support and cooperation.

For and on behalf of the Board of Directors of
Kanone Technologies Limited



Sruthi Muhammed Ali
Managing Director
DIN:09237016



Faizal Bavaraparambil Abdul Khader
Director
DIN: 07729191

Date: 11/09/2024
Place: Ernakulam

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts / arrangements/ transactions	N.A.
c)	Duration of the contracts / arrangements /transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

SL No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Safa Systems & Technologies Limited, common directors & Associate
b)	Nature of contracts/arrangements/transactions	1.Goods Purchased 2.Goods Sold 3.Services Purchased
c)	Duration of the contracts /arrangements/transactions	Ongoing and as per the terms of Contract
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	1. 1,795.97 Lakhs 2. 18.74 Lakhs 3. 34.83 Lakhs
e)	Date(s) of approval by the Board, if any:	20.05.2023
f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors of
Kanone Technologies Limited



Sruthi Muhammed Ali
Managing Director
DIN:09237016



Faizal Bavaraparambil Abdul Khader
Director
DIN: 07729191

Date: 11/09/2024
Place: Ernakulam



PSV Jain & Associates

Chartered Accountants

Office No. 105 Shri Yashwant Shopping Centre

Borivali E Mumbai -66

Email: dularesh.itax@gmail.com **Contact:** +91 8976358144

INDEPENDENT AUDITOR'S REPORT

To

The Members of

KANONE TECHNOLOGIES LIMITED

Report on the Audit of financial statements

Opinion

We have audited the accompanying financial statements of KANONE TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024 the Statement of Profit and Loss and Cash Flow Statement for the year ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibility for the Audit of the financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the financial statements.

Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement, we are required to report that fact.

On the auditor's report date, we have nothing to report in this regard, as the Annual Report is expected to be made available to us after the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Standards specified under section 133 read with the Companies (Accounting Standards) Rules, 2021, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Companies Act, 2013, 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 Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and (ii) to evaluate the effect of any identified misstatements in the 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.

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' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 applicable for the financial year ended March 31, 2024.

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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021.

- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) In our opinion and to the best of our information and according to the explanation given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197(16) read with Schedule V to the Act.
- (g) 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".
- (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 did not have any pending litigations which can have an impact on its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that has 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) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

ANNEXURE - A REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS OF KANONE TECHNOLOGIES LIMITED FOR THE YEAR ENDING 30 JUNE, 2024

As required by the Companies (Auditor's report) Order, 2020 issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of leased assets.
 - (B) The Company has maintained records showing full particulars of Intangible Assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment, so to cover all the assets once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. However no formal

documentation has been provided to us for verification.

- (c) Based on the examination of records provided to us we report that, title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment including leased assets and intangible assets during the year. Hence reporting under clause 3(i)(d) is not applicable.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Prohibition of Benami Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not maintain any inventory and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limits during the year from banks or financial institutions. Hence, this clause is not applicable to company.
- iii. The Company has not made investments, 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, during the year.
- iv. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. In respect of deposits accepted by company or amounts which are deemed to be deposits, directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Companies act and rules made thereunder, where applicable, have been complied with. There has been no order passed by Company Law Board or National Company law Board Tribunal or Reserve Bank of India or any other court or any other tribunal against the company. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, provision of subsection (1) of section 148 of the Companies Act, 2013 related to maintenance of cost records are not applicable to the company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) There were no disputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory in arrears as at March 31, 2024.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. In respect of repayment of dues:

- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) According to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us, on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under clause 3(ix)(f)

of the Order is not applicable to the Company.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us, no material fraud by the Company or 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 by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) Whistle blowing mechanism under section 177 of Companies Act, 2013 is not applicable to the company. Hence, reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to the applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to information and explanations given to us, Internal audit system as required under Section 138 of the Companies Act, 2013 is not applicable to the Company. Hence, reporting under clause 3(xiv) of the Order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under clause 3(xvi) of the Order is not applicable.

- xvii. The Company has not incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has not been resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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 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.
- xx. In our opinion and according to information and explanations given to us, provisions related to Corporate Social Responsibility (CSR) are not applicable to the company. Accordingly, reporting under clause 3(xx)(a), (b) of the Order is not applicable.

For M/s. PSV Jain & Associates
Chartered Accountants
(Firm Registration No. 131505W)

Dularesh Kumar Jain
Partner
Membership No. 137264



A handwritten signature in blue ink, appearing to read "Dk Jain", written over a horizontal line.

Date: 11.09.2024
Place: Mumbai
UDIN: 24137264BKCDFT3192

Kanone Technologies Limited
Formerly known as Kanone Technologies Private Limited
CIN: U74999KL2021PTC071243
Balance Sheet as at 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at 31st March 2024	As at 31st March 2023
Equity and liabilities			
Shareholders' funds			
Share capital	3	209.10	100.00
Reserves and surplus	4	1,047.08	384.99
		1,256.18	484.99
Non-current liabilities			
Long-Term Borrowings	5	-	145.16
Other long-term liabilities		-	-
Deferred tax liabilities (Net)		-	-
Long-term provisions	6	0.00	-
		0.00	145.16
Current liabilities			
Short-Term Borrowings	5	2,651.11	825.68
Trade payables	7		
(A) Total outstanding dues of micro enterprises and small enterprises; and		222.96	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		102.95	1,043.67
Other current liabilities	8	66.75	26.08
Short-term provisions	6	198.56	73.48
		3,242.33	1,968.91
Total		4,498.51	2,599.06
Assets			
Non-current assets			
Property, plant and equipment			
Tangible assets	9	3.83	2.82
Intangible assets		0.17	0.28
Investments		-	-
Loans and advances	10	-	-
Other non-current assets		-	-
Deferred tax assets (Net)	11	0.50	0.23
		4.50	3.33
Current assets			
Inventories	12	231.58	254.51
Trade receivables	13	2,579.67	2,174.30
Cash and bank balances	14	246.51	16.17
Loans and advances	10	7.84	43.26
Other current assets	15	1,428.40	107.49
		4,494.01	2,595.73
Total		4,498.51	2,599.06

For M/s. PSV Jain & Associates Chartered Accountants
(Firm Registration No. 131505W)
Dularesh Kumar Jain Partner
Membership No. 137264



Date: 11.09.2024

Place: Mumbai

UDIN: 24137264BKCDFT3192

For and on behalf of the Board of Directors of
Kanone Technologies Limited

Faizal BA

Faizal BA

Director

DIN: 0772919



Sruthi MA

Sruthi MA

Director

DIN: 09237016

Kanone Technologies Limited

Formerly known as Kanone Technologies Private Limited

CIN: U74999KL2021PTC071243

Statement of Profit and Loss for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	For the period ended 31st March 2024	For the year ended 31st March 2023
Revenue			
Revenue from operations	16	42,871.68	25,609.60
Other income	17	386.77	93.45
Total revenue		43,258.45	25,703.05
Expenses			
Purchase of stock in Trade	18	41,843.08	25,045.93
Change in Inventories	19	22.92	(254.51)
Employee benefits expense	20	12.52	26.65
Finance cost	21	131.19	50.74
Depreciation and amortisation expense	22	1.38	1.98
Other expenses	23	413.24	362.90
Total expenses		42,424.33	25,233.69
Profit before tax & Prior period items		834.13	469.36
Prior period Items	24	0.14	-
Profit before tax		833.99	469.36
Tax expense			
- Current tax		202.87	106.81
- Deferred tax		(0.12)	(0.23)
Tax expense-earlier years			
- Current tax for previous year		24.31	-
- Deferred tax	11	(0.15)	-
Profit for the year		607.09	362.78
Earnings per equity share	25		
[Nominal value per share: ₹10 (previous year: ₹10)]			
Basic (in ₹)		50.13	36.28
Diluted (in ₹)		50.13	36.28

For M/s. PSV Jain & Associates Chartered Accountants
(Firm Registration No. 131505W)
Dularesh Kumar Jain Partner
Membership No. 137264



Date: 11.09.2024

Place: Mumbai

UDIN: 24137264BKCDFT3192

For and on behalf of the Board of Directors of
Kanone Technologies Limited

Faizal BA

Faizal BA
Director
DIN: 0772919

Sruthi MA

Sruthi MA
Director
DIN: 02237016



Kanone Technologies Limited

Formerly known as Kanone Technologies Private Limited

CIN: U74999KL2021PTC071243

Statement of Cash flow for the year ended 31st March 2024

(All amounts in ₹Lakhs, unless otherwise stated)

PARTICULARS	Annexure No.	April 1, 2023 To March 31, 2024	April 1, 2022 To March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax as per Profit & Loss A/c		833.99	469.36
Adjusted for :			
a. Depreciation		1.47	1.98
b. Interest Expenses & Finance Cost		131.19	50.74
c. Other Adjustments		-	-
d. Interest & Other Income		(2.04)	(0.19)
Operating profit before working capital changes		964.61	521.89
Adjusted for :			
a. Decrease / (Increase) in Inventories		22.93	(254.51)
b. Decrease / (Increase) in Trade Receivable		(405.37)	(2,163.40)
c. Decrease / (Increase) in Long Term Loans and Advances		-	1.80
c. Decrease / (Increase) in Short Term Loans and Advances		35.42	(43.26)
d. Decrease / (Increase) in Other Assets		(1,320.91)	243.43
e. Increase / (Decrease) in Trade Payables		(717.76)	758.09
f. Increase / (Decrease) in Short Term Provisions		(108.17)	(7.96)
f. Increase / (Decrease) in Long Term Provisions		0.00	-
g. Increase / (Decrease) in Other Liabilities		40.67	20.84
Cash generated from operations		(1,488.59)	(923.08)
Net Income Tax (Paid)/Refund		(4.48)	(33.33)
Net Cash Generated/(Used) From Operating Activities (A)		(1,493.07)	(956.41)
B. CASH FLOW FROM INVESTING ACTIVITIES			
a. (Purchase) Sale of Fixed Assets		(2.37)	-
b. Investment in subsidiary companies		-	-
c. Interest & Other Income		2.04	0.19
Net Cash Generated/(Used) From Investing Activities (B)		(0.33)	0.19
C. CASH FLOW FROM FINANCING ACTIVITIES			
a. Interest & Finance Cost		(131.19)	(50.74)
b. Proceeds/ Repayment of share capital		164.10	-
c. (Repayments) / proceeds of long term borrowings		(145.16)	145.16
d. (Repayments) / proceeds of short term borrowings		1,825.43	825.48
Net Cash Generated/(Used) From Financing Activities (C)		1,713.18	919.90
Net Increase / (Decrease) in cash and cash equivalents		219.78	(36.32)
Cash and cash equivalents at the beginning of the year		16.17	52.49
Cash and cash equivalents at the end of the year		235.95	16.17

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements.

For M/s. PSV Jain & Associates Chartered Accountants

(Firm Registration No. 131505W)

Dularesh Kumar Jain Partner

Membership No. 137264



Date: 11.09.2024

Place: Mumbai

UDIN: 24137264BKCDFT3192

For and on behalf of the Board of Directors of

Kanone Technologies Limited

Faizal BA

Director

DIN: 07729100

Sushil MA

Director

DIN: 00237016



Kanone Technologies Limited

Formerly known as Kanone Technologies Private Limited

CIN: U74999KL2021PTC071243

(All amounts in ₹'Lakhs, unless otherwise stated)

1 Background

Kanone Technologies Private Limited (hereinafter referred to "the Company") was incorporated as on 29th day of September 2021 in the state of Kerala under the Companies Act, 2013. Registered address of company is Building No.46/2678 B4, Kaniyappilly Road, Chakkaraparambu, Vennala P.O., Ernakulam, Kerala-682028. The Company is engaged in the business of exporters, importers, buyers, distributors, sellers of Technology associated with different types of electronics products and components and customized technology applications as per requirements.

2 Summary of significant accounting policies

i Basis of Preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and 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.

iii Property, Plant and Equipment

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets

Acquired intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

iv Depreciation on property, plant and equipment

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses written down value method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Particulars	Useful life in years
Office equipments	10
Furniture and fixture	10
Office equipments	5
Computer	3



The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. (Component Accounting)

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.

v Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

vi **Foreign currency translation**

Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

Forward cover contracts:

In respect of forward cover contracts for future probable transactions, the mark to market loss as at the year end is charged to Statement of Profit and Loss

vii **Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income

Dividend income on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

Revenue from sale of services

Revenue from sale of services are accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realisation.

viii **Investment**

Non-Current Investment

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current Investment

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

ix **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks. Bank overdrafts are shown within borrowings in current liabilities in balance sheet.

x **Employees Benefit**

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Short-term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.



xi Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct cost and related overheads.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

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

xii Income taxes

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit considered in determining the net profit or loss for the year.

Current tax

Provision for current tax is recognized on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Deferred tax

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

xiii Leases

Operating leases - As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of lease.

xiv Provisions, Contingent Liability and Contingent Asset

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

xv Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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



Kanone Technologies Limited*Formerly known as Kanone Technologies Private Limited***CIN: U74999KL2021PTC071243****Notes to the financial statements for the year ended 31st March 2024***(All amounts in ₹ Lakhs, unless otherwise stated)***3 Share capital**

	As at 31st March 2024		As at 31st March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	25,00,000	250.00	10,00,000	100.00
	25,00,000	250.00	10,00,000	100.00
Issued, subscribed and fully paid-up share capital				
Equity shares of ₹ 10 each fully paid-up	20,91,000	209.10	10,00,000	100.00
Total issued, subscribed and fully paid-up share capital	20,91,000	209.10	10,00,000	100.00

(a) Reconciliation of equity share capital

	As at 31st March 2024		As at 31st March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	10,00,000	100.00	10,00,000	100.00
Add : Number of shares issued during the year				
- Initial Subscription	-	-	-	-
- Preferential allotment	-	-	-	-
- Right issue	10,91,000	109.10	-	-
- Initial public offer	-	-	-	-
Balance as at the end of the year	20,91,000	209.10	10,00,000	100.00

(b) Rights, preferences and restrictions attached to equity shares**Equity Shares**

The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

(c) Particulars of shareholders holding more than 5 % equity share of the Company

Name of shareholder	As at 31st March 2024		As at 31st March 2023	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Faizal BA	5,59,950	26.78%	5,10,000	51.00%
Sruthi MA	4,91,000	23.48%	4,90,000	49.00%
Safa Systems & Technologies Limited	10,40,000	49.74%		
Manzoor Kidhwai	10	0.00%		
Dheena Mohammed Sharafu	10	0.00%		
Laya Muhammed Ali	10	0.00%		
PI Muhammed Ali	10	0.00%		
Sayeeda Beevi	10	0.00%		
	20,91,000	100.00%	10,00,000	100.00%

(d) The Company has neither issued any bonus shares or issued shares pursuant to a contract without payment being received in cash nor has there been any buyback of shares in the current year.

(e) Detail of share held by promoters as on

	As at 31st March 2024		As at 31st March 2023		
	Number of shares	% holding in the shares	Number of shares	% holding in the shares	% change during the year
Faizal BA	5,59,950	26.78%	5,10,000	51.00%	24.22%
Sruthi MA	4,91,000	23.48%	4,90,000	49.00%	25.52%
	10,50,950	50.26%	10,00,000	100.00%	49.74%

4 Reserves and surplus

	As at 31st March 2024	As at 31st March 2023
Deficit in the Statement of Profit and Loss		
Balance at the beginning of the year		384.99
Less: Depreciation adjustment (refer note 8)		-
Add: Profit / (loss) for the year		607.09
Balance at the end of the year		992.08
Security Premium Reserve		
Share Application Money		-
Balance as per last financial statements		-
Share Premium received during the period		55.00
Balance at the end of the period		55.00
Total Reserve and Surplus		1,047.08

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Kanone Technologies Limited

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Notes to the financial statements for the year ended 31st March 2024

(All amounts in ₹'Lakhs, unless otherwise stated)

5 Borrowing

	Long-Term		Short-Term	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Secured Borrowings				
Bank Overdraft				
EPC State Bank of India	-	-	2,012.41	674.21
OD State Bank of India	-	-	149.24	151.47
Bill Discounting	-	-	99.41	
Unsecured Borrowings				
From Directors	-	145.16	390.05	-
Others	-	-	-	-
Total	-	145.16	2,651.11	825.68

6 Provisions

	Long-Term		Short-Term	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Provision for Income Tax	-		198.38	73.48
Provision for Gratuity	0.00		0.18	
Total	0.00	-	198.56	73.48

7 Trade payables

	As at 31st March 2024	As at 31st March 2023
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 31) and;	222.96	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	102.95	1,043.67
Total	325.91	1,043.67

Ageing analysis of Trade Payables as on 31st March 2024

	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 31) and;	222.96	-	-	-	-	222.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	102.95	-	-	-	-	102.95

Ageing analysis of Trade Payables as on 31 March 2023

	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 31) and;	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,043.67	-	-	-	-	1,043.67

8 Other current liabilities

	As at 31st March 2024	As at 31st March 2023
Salary payable	1.57	0.40
Electricity Bill Payable	0.02	0.03
Freight Charges Payable	3.40	1.51
Business Support Services Payable	-	13.79
TDS Payable	-	5.86
GST Payable	-	53.02
Professional tax payable	-	0.10
Audit fee Payable	1.50	0.30
Accured Interest Payable	1.28	-
Total	66.75	26.08



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Kanone Technologies Limited*Formerly known as Kanone Technologies Private Limited*

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Notes to the financial statements for the year ended 31st March 2024

*(All amounts in ₹'Lakhs, unless otherwise stated)***9.a. Property, plant and equipment**

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2023	Additions	Disposals/ Adjustment	31 March 2024	1 April 2023	For the period	Disposals/ Adjustment	31 March 2024	31 March 2024
Furniture & Fixtures	1.23	0.81	-	2.04	0.29	0.17	-	0.47	1.58
Office Equipments	1.60	0.27	-	1.87	0.47	0.28	(0.04)	0.71	1.16
Computer and Laptops	2.21	1.29	-	3.50	1.46	0.81	0.14	2.41	1.09
	5.04	2.37	-	7.41	2.22	1.27	0.09	3.59	3.83

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2022	Additions	Disposals/ Adjustment	31 March 2023	1 April 2022	For the period	Disposals/ Adjustment	31 March 2023	31 March 2023
Furniture & Fixtures	1.23	-	-	1.23	0.09	0.21	-	0.29	0.94
Office Equipments	1.60	-	-	1.60	0.10	0.36	-	0.47	1.14
Computer and Laptops	2.21	-	-	2.21	0.23	1.23	-	1.46	0.75
	5.04	-	-	5.04	0.42	1.80	-	2.22	2.82

9.b. Intangible Asset

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2023	Additions	Disposals/ Adjustment	31 March 2024	1 April 2023	For the period	Disposals/ Adjustment	31 March 2024	31 March 2024
Tally Software	0.54	-	-	0.54	0.26	0.11	-	0.37	0.17
	0.54	-	-	0.54	0.26	0.11	-	0.37	0.17



Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2022	Additions	Disposals/ Adjustment	31 March 2023	1 April 2022	For the period	Disposals/ Adjustment	31 March 2023	31 March 2023
Tally Software	0.54	-	-	0.54	0.07	0.18	-	0.26	0.28
	0.54	-	-	0.54	0.07	0.18	-	0.26	0.28

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Notes to the financial statements for the year ended 31st March 2024

(All amounts in ₹'000, unless otherwise stated)

10 Loans and advances

(Unsecured considered good, unless otherwise stated)

	Long Term		Short Term	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Security deposit	-	-	1.30	29.50
Other Advances	-	-	6.54	13.76
Total	-	-	7.84	43.26

11 Deferred Tax Asset (Net)

	As at 31st March 2024	As at 31st March 2023
Deferred tax asset for		
Depreciation	0.23	-
Deferred tax (assets)/liability on account of		
Prior period Items-previous year adjustments	0.15	-
Tax effect of timing difference (on account in WDV of property, plant & equipment between the IT act and Companies act & Provision of gratuity)	0.12	0.23
Tax effect of timing difference (on account of difference in expense allowable under section 35D of IT act and Companies act)	-	-
	0.27	0.23
Deferred Tax Asset (Net)	0.50	0.23

12 Inventories

	As at 31st March 2024	As at 31st March 2023
Closing Stock in goods in trade	231.58	254.51
Total	231.58	254.51


13 Trade receivables

	As at 31st March 2024	As at 31st March 2023
Trade receivables outstanding for a period exceeding six months from the date they became due for		
Unsecured considered good		
Doubtful		
Less : Allowances for bad and doubtful debts		
Unsecured, considered good:		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others	2,579.67	2,174.30
Unsecured, considered doubtful:		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others	-	-
Less : Allowances for doubtful debts	-	-
Total	2,579.67	2,174.30

Ageing analysis of Trade Receivables as on 31st March 2024

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured, considered good:						
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	-	-	-	-
Others	2,579.67	-	-	-	-	2,579.67
Unsecured, considered doubtful:						
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	-	-	-	-
Others	-	-	-	-	-	-

Ageing analysis of Trade Receivables as on 31st March 2023

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Unsecured, considered good:						
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	-	-	-	-
Others	2,174.30	-	-	-	-	2,174.30
						
Unsecured, considered doubtful:						
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	-	-	-	-
Others	-	-	-	-	-	-



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Notes to the financial statements for the year ended 31st March 2024

(All amounts in ₹'000, unless otherwise stated)

14	Cash and bank balances	As at 31st March 2024	As at 31st March 2023
	Cash and cash equivalents		
	Cash on hand	-	-
	Balance with bank		
	- in current accounts	6.51	16.17
		6.51	16.17
	Other bank balances		
	Balance in deposit accounts with original maturity of more than 3 months but less than 12 months	240.00	-
	Total	246.51	16.17
15	Other current assets	As at 31st March 2024	As at 31st March 2023
	GST Receivable	1,088.80	17.82
	Duty drawback receivable	291.92	65.51
	RodTEP Receivable	24.24	5.17
	Forward cover asset	3.51	-
	Advance Salary	-	0.71
	Advance to Vendors	15.06	17.95
	Accured Interest receivable	1.72	-
	Prepaid Expenses	3.15	0.33
	Total	1,428.40	107.49



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Kanone Technologies Limited*Formerly known as Kanone Technologies Private Limited***CIN: U74999KL2021PTC071243****Notes to the financial statements for the year ended 31st March 2024***(All amounts in ₹ Lakhs, unless otherwise stated)***16 Revenue from operations**

	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of Goods		
Export of Goods	42,427.18	24,198.67
Domestic Sale	51.01	1,120.07
Income from foreign exchange	393.49	290.86
Total	42,871.68	25,609.60

17 Other income

	For the year ended 31st March 2024	For the year ended 31st March 2023
Delayed payment penalty	-	0.26
Excess Provision written off	-	0.02
Commission Income From Reliance Jio Mart	-	13.40
Discount received	8.33	-
Duty Drawback	308.74	74.41
RoDTEP	24.66	5.17
Forex Gain	-	-
Unrealised Forex Income	37.49	-
Discount on forward cover	3.51	-
Packaging & handling charges	1.99	-
Interest received on fixed deposits	2.04	0.19
Total	386.77	93.45

18 Purchase of stock in trade

	For the year ended 31st March 2024	For the year ended 31st March 2023
Purchase of Goods	41,843.08	25,045.93
Total	41,843.08	25,045.93

19 Change in stock in Trade

	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening Stock	254.51	-
Less: Closing Stock	231.58	254.51
Total	22.92	(254.51)

20 Employee benefits expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries, allowances and bonus	12.38	26.65
Gratuity expense	0.14	-
Total	12.52	26.65



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Notes to the financial statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

21 Finance cost

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest on borrowings	106.21	47.09
ECGC Premium	8.44	3.65
Loan processing charges	16.54	-
Total	131.19	50.74

22 Depreciation and amortization expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation on tangible assets (Refer Note 9)	1.38	1.98
Total	1.38	1.98

23 Other expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Auditor's remuneration	3.59	0.91
Advertisement Expenses	0.72	-
Bank charges	11.92	27.54
Electricity expenses	0.51	0.40
Telephone & Internet expenses	0.48	2.32
Forex Loss	47.20	8.17
Discount Allowed	9.19	-
Freight expenses	97.20	123.74
Business Support Services	21.16	81.03
CHA clearing and agency charges	25.04	19.06
Packaging expenses	1.71	3.00
Office expenses	1.10	1.15
Printing and stationery	0.65	0.45
Professional expenses	59.09	25.83
Tour & Travelling Expenses	4.98	2.24
Repair & Maintenance	0.34	0.13
Interest on income Tax	12.36	0.61
Commission	26.07	1.58



Kanone Technologies Limited*Formerly known as Kanone Technologies Private Limited***CIN: U74999KL2021PTC071243****Notes to the financial statements for the year ended 31st March 2024***(All amounts in ₹ Lakhs, unless otherwise stated)*

Insurance expenses	20.74	17.02
Interest on Tds	0.06	0.02
GST late fees	0.00	0.00
RoDTEP Charges	0.11	-
Office rent	6.99	5.59
Warehouse rent	0.45	-
Warehouse charges	1.90	1.11
ROC fees	1.13	-
Sales Promotion	51.53	38.00
Subscription Charges	7.02	3.00
Total	413.24	362.90

*** Payment to statutory auditors**

Statutory audit fee	3.59	0.91
Tax audit fee	-	-
Other expenses	-	-
	3.59	0.91

24 Prior Period Items

Depreciation on fixed assets	0.09	-
Provision for gratuity	0.04	-
	0.14	-

25 Earnings per equity share (EPS)

	For the year ended 31st March 2024	For the year ended 31st March 2023
Net profit after tax available for equity shareholders (A)	607.09	362.78
Weighted average number of equity shares (B)	12,11,022	10,00,000
Basic EPS (A/B) (₹)	50.13	36.28
Diluted EPS (A/B) (₹)	50.13	36.28
Nominal value per equity share (₹)	10	10

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Kanone Technologies Limited*Formerly known as Kanone Technologies Private Limited*

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Notes to the financial statements for the year ended 31st March 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)***26 Contingent liabilities and capital commitments**

	As at 31st March 2024	As at 31st March 2023
(a) Contingent liabilities		
Outstanding bank guarantees	-	-
Claim received but not acknowledged by the company	-	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance).	-	-
(c) The company has commitment for services, purchase of goods and employee benefits in normal course of business. The company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.	-	-
(d) The Company has not been registered under PF Act, ESIC Act and Professional Tax Act. The impact of the same cannot be ascertained.	-	-

27 Related party disclosures**(a) Enterprises exercising significant control :****Holding company** Not applicable**(b) Key management personnel (KMP)**

Faizal BA Director w.e.f 29th September 2021

Sruthi MA Director w.e.f 29th September 2021

(c) Enterprises over which any person described in (b) is able to exercise significant influence

Safa Systems and Technologies Limited Entity control by common director

Safa Plywoods Private Limited Entity control by common director

(d) Transactions with related parties :-

Nature of transactions	For the year ended 31st March 2024	For the year ended 31st March 2023
Equity contribution from (including security premium)		
Shares Issued to		
Faizal BA	60.00	-
Sruthi MA	-	-
Safa Systems & Technologies Limited	104.00	-
Manzoor Kidhwai	0.00	
Dheena Mohammed Sharafu	0.00	
Laya Muhammed Ali	0.00	
PI Muhammed Ali	0.00	
Sayeeda Beevi	0.00	
Unsecured loan taken from		
Faizal BA	448.32	74.03
Sruthi MA	-	71.13
Unsecured loan repaid		
Faizal BA	132.30	-
Sruthi MA	71.13	-
Goods purchased during the year		
Safa System & Technologies Limited	1,795.97	16,844.60
Services purchased during the year		
Safa System & Technologies Limited	34.83	78.01
Expenses done on behalf of company		
Safa System & Technologies Limited	0.06	-
Faizal BA	14.58	
Sruthi MA		
Good sold during the year		
Safa System & Technologies Limited	18.74	213.69
Payment made to		
Safa System & Technologies Limited	2,840.29	15,680.75
Faizal BA	11.69	
Sruthi MA	-	



Balance outstanding at year end		
Particulars	As at 31st March 2024	As at 31st March 2023
Share Capital		
Faizal BA	56.00	51.00
Sruthi MA	49.10	49.00
Safa Systems & Technologies Limited	104.00	-
Manzoor Kidhwai	0.00	-
Dheena Mohammed Sharafu	0.00	-
Laya Muhammed Ali	0.00	-
PI Muhammed Ali	0.00	-
Sayeeda Beevi	0.00	-
Unsecured loan		
Faizal BA	390.05	74.03
Sruthi MA	-	71.13
Sundry Creditor		
Safa System & Technologies Limited	0.00	1,028.17
Impreset Account		
Faizal BA	14.63	17.52

- 28 Consequent to the Accounting Standard (AS) 22 - "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India being mandatory, the Company has recorded the effects for deferred taxes.

	For the year ended 31st March 2024	For the year ended 31st March 2023
Net deferred tax expenses has been shown in the provisional statement of profit & loss	(0.27)	(0.23)

29 **Taxes on Income**

The Break-up of deferred tax assets and liability into major components are as under:

Particulars	For the year ended 31st March 2024	Changes during the year	For the year ended 31st March 2023
Deferred Tax Liabilities on account of			
Disallowance as per IT Act		-	-
Accumulated Losses		-	-
Total	-	-	-
Less: Deferred tax asset for			
Depreciation	0.50	0.27	0.23
Total	0.50	0.27	0.23
Net Deferred tax asset	0.50	0.27	0.23

30 **Expenditure/Earnings in Foreign currency (on accrual basis).**

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Expenditure in Foreign Currency	-	-
Earning in Foreign Currency	486.22	302.00

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	US \$ (Lakhs)	INR (Lakhs)	US \$ (Lakhs)	INR (Lakhs)
Debtors as per Balancesheet	20.65	2,569.60	26.44	2,174.30
Debtors covered under forward cover	48.00	4,005.46	15.00	1,158.70



- 32 Balances appearing under loans & advances, trade receivables, trade payables, current assets and current liabilities are subject to confirmation in certain cases.

33 Dues to small and micro enterprises pursuant to section 22 of the micro, small and medium enterprises development ('MSMED') act, 2006 :

	For the year ended 31st March 2024	For the year ended 31st March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
Interest accrued and remaining unpaid as at the end of year.	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company. This has been relied upon by the auditors.

- 34 During the year, the Company has conducted physical verification of its property, plant and equipment in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification.
- 35 In opinion of the Board, the loans & advances and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.
- 36 **Additional regulatory information**
- There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
 - The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
 - There are no transactions / relationship with struck off companies.
 - The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.
 - The Company has neither traded nor invested in Crypto currency or Virtual Currency during the period from 1st april 2023 to 31st March 2024. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.
 - Valuation of PP&E, 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 year.
 - The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.
 - The funds borrowed by the company from any bank (s)/ Financial Institution have been used for the purpose for which they has been borrowed and not misutilised /diverted for any other purpose
 - Quarterly returns or statement of current assets filed by the company with banks or financial institutions are in agreement with the book of accounts.



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Kanone Technologies Limited

Formerly known as Kanone Technologies Private Limited

CIN: U74999KL2021PTC071243

Notes to the financial statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(ix) Analytical Ratios

Ratio	Numerator	Denominator	For the year ended 31st March 2024	For the year ended 31st March 2023	Variance %	Reason
- Current ratio (in times)	Total current assets	Total current liabilities	1.39	1.32	5%	Ratio Increases due to increase in current Assets
- Debt equity ratio (in times)	Total debts	Shareholders' Equity	2.11	2.00	5%	Ratio decreases due to increase in borrowings
- Debt service coverage ratio (in times)	Earnings available for debt service (Net profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non cash adjustments)	Debt service (Interest & lease payments + principal repayments)	0.36	0.63	-42%	Ratio decreases due to increase in borrowings.
- Return on equity ratio (in %)	Profits for the year less preference dividend (if any)	Average shareholder's equity	48.33%	74.80%	-35%	Ratio decreases due to increase in paid up capital.
- Inventory turnover ratio (in times)	Revenue from operations	Average inventory	176.39	201.24	-12%	Ratio decreases due to increase in closing inventory.
- Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	18.04	23.44	-23%	Ratio decreases due to increase in trade receivables.
- Trade payables turnover ratio (in times)	Cost of traded goods and other expenses	Average trade payables	61.10	37.68	62%	Ratio increases due to decrease in trade payables.
- Net capital turnover ratio (in times)	Revenue from operations	Average working capital	9.68	9.97	-3%	Ratio decreases due to increase in working capital.
- Net profit ratio (in %)	Profit for the year	Revenue from operations	1.42%	1.42%	0%	Ratio increases due to increase in profit for the year.
- Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	76.85%	82.54%	-7%	Ratio increases due to increase in profit for the year.
- Return on investment (in %)	Income generated from invested funds	Average invested funds	13.50%	13.96%	-3%	Ratio increases due to increase in profit for the year.

36 The Company has a single reportable segment for the purpose of Accounting Standard 17.

37 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

38 During the year ended 31st March 2024 the company has opted for Section 115BAA of Income tax Act, 1961 for calculation of Income tax. Eventually, the effective tax rate is approx 25.17%.

For M/s. PSV Jain & Associates Chartered Accountants
(Firm Registration No. 131505W)
Dularash Kumar Jain Partner
Membership No. 137264



Date: 11.09.2024
Place: Mumbai
UDIN: 24137264BKCDFT3192

For and on behalf of the Board of Directors of
Kanone Technologies Limited

Faizal BA

Faizal BA
Director
DIN: 0772919

Sneha

